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Avoidable losses in
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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

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AVOIDABLE LOSSES IN COTTON HANDLING

Stenographic Transcript of Proceedings of
Conference held February 24, 1925,
at Washington, D. C.

Washington, D. C.,
1925.

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE
FOR THE YEAR 1881

THE COMMISSIONER OF THE GENERAL LAND OFFICE

IN RESPONSE TO A RESOLUTION OF THE HOUSE OF COMMONS
PASSED ON THE 11TH MARCH 1881
AND TO A RESOLUTION OF THE SENATE
PASSED ON THE 11TH MARCH 1881

AVOIDABLE LOSSES IN COTTON HANDLING

Conference Held in the Bureau of Agricultural Economics,
February 24, 1925*

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MORNING SESSION, 10 O'CLOCK

PRESIDING: DR. H. C. TAYLOR

DR. TAYLOR: We are glad to see you here. There are a number of problems that we are working on regarding which we want advice and for that reason we sent out the general invitation for those who were interested to come. I am very happy to say that Secretary Gore has consented to come over and give you a word of welcome. He has already given you a hand of welcome. I wish to say that while Secretary Gore's term of office as Secretary of Agriculture has been brief, he has gotten very close to the hearts of the people of the Department of Agriculture. He has proved a sincere and truthful friend and I am anxious for the men in the various lines of production and marketing to know him. That is the reason I asked him to come over this morning. Secretary Gore. (APPLAUSE)

SECRETARY GORE: Dr. Taylor, Gentlemen, Brother Conferees and Guests of the Department of Agriculture. I am indeed happy to say a word of welcome to you. As you know, it is rather exacting at the close of an Administration, to meet the problems that will be mine in a few days as Governor of my own State, and at the same time to give proper attention to the duties that fall upon me as Secretary of Agriculture. I have worked for the past few months without an Assistant Secretary of Agriculture, as you gentlemen probably know, and Secretary Wallace's long illness resulted in the accumulation of a number of important matters that require almost constant attention in order to put them in orderly shape for the next Secretary of Agriculture. But I could not resist the opportunity to be present and pay my respects to you.

It occurs to me, gentlemen, that the American people now fully realize that the conditions, economic, social and otherwise, that we are compelled to meet are not the result of the ordinary unfoldment of the life of our people. Rather, they are the unusual in many respects, precipitations resulting from the distresses of war. The question up at this time is how shall we meet these problems. I am very happy indeed that the Bureau of Agricultural Economics and other major bureaus of the Department have, as never before, undertaken to acquire the viewpoint of those who carry on the various activities of the many lines of endeavor with which we have to deal. It is only by

*The transcript is a verbatim report of the proceedings of the meeting. In order to issue these proceedings at once the addresses and discussions are presented as given.

THEORY OF THE EARTH AND ITS HISTORY

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BY J. H. MACLEOD

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The theory of the earth and its history is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its features, and to determine the sequence of events which have taken place since the earth was first formed. The theory of the earth and its history is based on the study of the rocks and the fossils which they contain, and on the principles of geology which govern the formation and development of the earth.

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coordinating and consolidating our efforts and thoughts in every line of endeavor that we can hope to meet these problems that are the heritage of war.

I only have a moment or two, and I cannot go into the subject you have before you, so you will pardon me if I talk more or less in a personal way for this moment or two. I came to the city of Washington from the Mountains of West Virginia, from the West Virginia farms, having been a livestock farmer all my life. My impression of Washington was largely gained from the headlines of the newspapers and from the political orators and from some of the voluminous documents that are issued from time to time from Washington and I had the impression that those who represented us in our Government at Washington and who carried on the activities had wholly political purposes in mind at all times or particularly were trying to advance their political fortunes involved.

After having had an opportunity to associate intimately with practically every type and group of public official, and in their relations with practically every group and type of citizenship in practically every State in the Union, I say this to you, that I go back to my State with the knowledge that, with negligible exceptions, those who serve you in public places, serve only for the promotion of public good.

That knowledge is worth while. If I had learned no other thing since I have been in Washington, that would serve a good purpose in meeting the problems that will confront me in the little mountain State.

Often I have been uneasy as to whether we would be able to meet the problems that confront us. We are all quite well aware that the world has been wasteful of its substance in the great war. We ourselves spent a large sum of money. We spent it with the same spirit that we would spend it for caring for a sick member of our family, gladly, willingly. We must also remember that many countries of Europe spent the accumulations of centuries and have burdened themselves even to generations unborn, and that the problem of this country is in keeping the purchasing power so broadly distributed that we can maintain an acceptable standard of living while the world gets well and until we can again exchange our commodities in commerce on an equitable basis.

Probably one of the things that will advance a better understanding, probably decrease materially the cost of our marketing, is a better understanding between the various groups that participate in the handling of a commodity from the time we begin its production until it reaches the ultimate consumer. It is only by conferences such as this, earnestly entered into, where each of us in good faith contributes the essential factors necessary to a proper and intelligent handling of this very question. For example, last year, in the handling of the apple crop in some sections, government data was used as on an experiment, in which the apples were certified. In other words, the minute the apples were packed and loaded, the purchaser knew that he would get just what he purchased. If he purchased a carload of Winesap apples of a certain grade, when the

car door was closed, the customer knew that he would get just that type of apples and that grade. In other words, the producer himself, underwrote and eliminated many of the elements of misunderstanding and loss.

So I take it, it will be in your industry, a complete understanding between the producer and the processor and those who purchase your commodities. Everything that advances that idea will contribute materially to your prosperity. You will excuse these somewhat disconnected remarks. I may say to you, it is a long way from the corn rows to the platform. Whatever I may have failed to say to you, please carry this one thought home with you, that this challenge is plainly before the American people: Will we be as wise in meeting the problems of peace as we were sacrificial in meeting the problems of war? I for one believe the American people are thoroughly committed to the thought that history shall record that we were. (APPLAUSE)

DR. TAYLOR: I have here a long letter, which will be read later in the conference, from the Secretary of the Oklahoma Cotton Growers Association in which the Association manifests a great interest in this conference, speaks of the conference that was held twelve years ago, and of the things that have been done in the meantime. Our plan of procedure was to have Mr. Tenny review briefly the things that had been done since the previous conference, that is, during the period that the Department of Agriculture has been working on these problems and then with that as a preliminary accomplishment to proceed to discuss a whole series of problems that are before us now in order that we may get off with a straight start on further work in this field. So, I will ask Mr. Tenny to speak to you.

MR. TENNY: Dr. Taylor and members of the conference. It is all right for the Secretary to tell you that it is a long way from the corn rows to the platform, for he can talk in generalities. It is a good deal longer from an apple orchard of Western New York to a cotton conference where you have to speak of something very technical. I do not know just why Dr. Taylor picked on me to open this conference with a little discussion (break)

DR. TAYLOR: I will tell you, - I thought it would be the best way possible for you to learn a lot about it.

MR. TENNY: I may learn, but whether you do or not is another question. I do want to say at the outset that I think it is a fine thing to have a group of business men come in and look us over. The beneficial effects are two-fold. I am absolutely positive that workers in the Department of Agriculture, and in this Bureau, who should be and are working on specific problems of marketing, are prone to get too far away from the producer and business man, the men who are interested in the things that we are working for. We need to benefit by rubbing up against the commercially minded man or the producer of these agricultural products. I am equally sure from talking with many men throughout the country that you who are out in the country districts or in the trade had a wrong impression of the aims and ideals and methods of procedure here in the Department of Agri-

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culture. By your coming here, you can perhaps get a little different view of the things that we are trying to do.

Now, research does not amount to very much as an end. I want you to get that because I think that some people have an erroneous idea, or a misconception of the work of the Department, in feeling that we are just delighted to do research work and that the more technical and abstract that research work is the better we like it. If there is anyone in this Bureau who has that notion, we want him to get rid of it. We do think that fact finding, which is research, is tremendously important, and I think that there are altogether too many people that are prone to draw conclusions as to how this, that or the other thing ought to be done without a sufficient amount of fact on which to base their conclusions.

But research work, fact finding, is a means to an end. The end, in a broad sense of course, is to better a condition, and if it is marketing research, such as we are considering today, then the end that we are seeking is a better marketing plan for the particular agricultural product that we are interested in. Today it is cotton.

All of our modern marketing work includes research. As research begins to come into fruitfulness it is usually reflected, as far as we are concerned here, in one or two kinds of fruit. It develops into a piece of direct service work or into commodities service work. By service work we mean the kind of work we are doing in assisting producers to standardize your agricultural products, in assisting them to get better market information, including unload and supplies and that sort of thing. Commodities service work takes the form of rendering service in the way of standardizing agricultural products and making an inspection of those products, and selling that service to the producer or the handler in such a way that he benefits. He pays the government for rendering him that service. These are the results of research work.

It is well for us, now and then, to take a view into not-far-distant history and see how recent all this work is. As I go back over the history of such research work, I find practically nothing before 1910. Everything that has been accomplished in the way of Governmental and State work in improving marketing conditions has been developed, for all practical purposes, since 1910.

In 1910 Congress authorized the Secretary of Agriculture "To investigate the cost of food supplies at the farm and to the consumer and to disseminate the results of such investigation in whatever manner he may deem best." Now, there was no office, no bureau, no nothing in the Department of Agriculture to carry out that authority that was given by Congress excepting a number of individuals throughout the Department in one bureau or another that happened to be interested in this aspect of our agricultural work. Nothing much was done immediately following 1910.

For the fiscal year 1913, Congress again took some recognition of the economic or marketing problems that were beginning to be more important

in our American agriculture, and for that year expanded the authority given to the Secretary of Agriculture. They wrote into the Appropriation Act for 1913 the following:

"And the Secretary of Agriculture is hereby directed to secure from the various branches of the department having authority to investigate such matters, reports relative to systems of marketing farm products, cooperative or otherwise,"
(break)

You see they are getting away from food products. The first attack in 1910, came as an attack on food. Now, for 1913, they are getting into the broader aspects as to the whole of agriculture.

This is very interesting to me, Dr. Taylor. In presenting the argument the other night before the Congressional Committee I could not refer to a single appropriation act that specifically covered cooperative marketing, but it seems that this very first one that was passed for the fiscal year 1913 did specifically mention cooperative marketing. I did not have the information before me at that time.

"cooperative or otherwise, in practice in various sections of the United States, and of the demand for such products in various centers, and shall make such recommendation to Congress relative to further investigation of these questions and the dissemination of such information as he shall deem necessary."

But it is actually during the year of 1913 that we find the beginning of our modern research work and our modern practice in connection with the marketing of agricultural products. The agricultural appropriation bill for the fiscal year 1914, was signed in March, 1913, and made a certain amount immediately available for marketing work. The Office of Markets was established in the Department as a result. In 1914 a step was taken in that Congress recognized this office by making a special item for it in the appropriation act, and if my figures are correct, it was that same year, in 1914, that Congress passed the Cotton Futures Act and the administration of that Act was given to this newly established office of which Mr. Brand became the chief. Thus, we have had just ten years of modern work and research and administration of this marketing problem.

Briefly, I want to review the history of the Bureau in just two or three sentences from that time to this time. The Office of Markets was expanded to the Office of Markets and Rural Organization and worked from 1915 to 1917. Effective July 1, 1917, Congress authorized the change from an Office into a Bureau, thus the Bureau of Markets was established July 1, 1917. The Bureau of Markets was then conducted until 1921 at which time the statistical work then in the separate bureau known as Crop Estimates was combined with the Bureau of Markets, forming in 1921, the Bureau of Markets and Crop Estimates. It ran under that name for one year and on

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July 1, 1922, the present Bureau of Agricultural Economics was established which included all the work of the Bureau of Markets and Crop Estimates and included in addition the Office of Farm Management. So now, for the last two years we have had the Bureau of Agricultural Economics.

Practically all of the economic work of the Department of Agriculture is now being done in the Bureau of Agricultural Economics, that is, practically all of the statistical work, all of the marketing work, all of the business side of planning the farm, laying out the farm, the question of what the farm shall produce. All of these and other similar things are now the work of the Bureau of Agricultural Economics. I give you this sketchy picture because I think it is helpful for you, as you carry on your work and have contact with the Department, to appreciate the growth of this work and how very recent it is.

I want to touch upon some of the research work in cotton. It is interesting to note that the two outstanding things approached first in our research work, that developed into standardization work and the service and regulatory work, related to the two great commodities - cotton and grain. They came along at about the same time, both of them starting in the investigational work over in the Bureau of Plant Industry. A great deal of research work was done on standards prior to the organization of the Office of Markets, but culminated in those fields that I have been discussing.

As far as our cotton work is concerned, I think we might divide our research work into two big divisions - one is our economic study and one regards the physical handling. We are not particularly concerned in the economic work today, but are interested in the second phase of this work, but I want to point out that study of the economic aspect in the marketing of products is a tremendously important piece of work. What is it that determines price? What are the relations of the different markets? The different channels through which cotton moves from the farm lot, the farm gin through to the primary markets and until this cotton reaches the domestic mills, or perhaps mills across the seas, all economic processes involved in getting that cotton translated into money and getting the money back to the producer, all of the factors that enter into the question of price making, all these form parts of our economic study.

Second, the particular phase to which relates the conference of today are the studies of the physical aspects of cotton. We find, from 1913 to the present time, continual references to studies of this subject of physical handling. I have here a very interesting collection of annual reports on this one project of the physical handling of the marketing of cotton. These give the work year by year from about 1913 up to the present time. In the main, these physical studies have taken three major directions of work. First, a great deal of work has been done in the study of ginning, the problems that arise out of the ginning itself, such as deception, the plated bale, use of inferior bagging, gin cut, and other irregularities. I think most of you know the work that Mr. Meadows started a number of years ago, in which we have been studying the ginning values of

cotton on the basis of deterioration that has grown out of poor handling conditions, lack of storage facilities, and weather damage.

Incidentally, I just want to show how that line of research work has gone on a tangent, perhaps, and resulted in a very definite piece of work. When we were studying warehouse facilities and the damage that resulted from poor warehousing, we got into the field of warehouses in general, and out of that to a very large extent grew our United States warehouse Act. Mr. Yohe is here today representing one of the larger major divisions of the Bureau that is devoting its entire time in an excellent piece of work, in correcting many of the difficulties we have found when studying weathering and storage of cotton. We know that there are many problems yet unsolved in the study of gin and weather damage. Those are some of the discussions that we want to enter into here today.

Passing to the second major problem of physical research we have had to do with the methods of handling the individual bale, if you will consider it such. Theoretically, it is a perfect bale. When you see the American bale over in Bremen or Liverpool it is a very different looking bale of cotton. It has had some rather rough usage. It has been sliced and cut and sampled until it looks pretty disreputable. Now, we have all the problems involved in the handling of that bale from the time it is a more-or-less perfect bale at the gin until the ginner gets it. Particularly, there are the problems that grow out of the approximately hundred and fifty thousand bales of cotton that we know go into our city crop of cotton, made by the excessive sampling of the cotton. This is a very much more important problem today than it was a few years ago because the price of cotton makes this one hundred and fifty thousand bales, which is wasted to a certain extent, much more valuable than it was when cotton was much less expensive than it is now. There are a vast number of problems that relate to the handling of the individual bale: the identification of it through the channels of trade, which is not an easy matter, as you all know; the sampling from point to point as the bale moves through commerce and all the other similar problems.

Closely related is the third one that has to do with tare, especially with tare irregularities. We have done a great deal of research work on this phase of cotton marketing. You probably all know the work that has just been brought not into a final state but into a tentative state by Mr. Beveridge who has been temporarily with us working on this question of tare. This is a big problem. We realize that it is not easy to sit down in the office and solve the tare problem.

First of all, we have to recognize that the problem has been with us ever since cotton has been with us; that there have been off-shoots of the problem in the way of solutions. Now, these off-shoots perhaps take two forms. One is State legislation. We have a wide variety of State laws affecting the question of tare. We must recognize these State laws in any attempt we may make to clarify the situation or help in its solution. Next there are the trade association rules and exchange rules affecting tare to be considered. You all realize better than I do that the

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions.

The second section focuses on the process of reconciling accounts. It outlines the steps for comparing the company's records with bank statements and other external sources. This process is crucial for identifying discrepancies and ensuring that the books are balanced.

The third part of the document addresses the issue of budgeting and financial planning. It provides guidelines for setting realistic goals and allocating resources effectively. The text stresses the need for regular monitoring and adjustment of the budget to reflect changing circumstances.

The final section discusses the importance of transparency and communication in financial management. It encourages the use of clear, concise language when reporting on financial performance and the importance of keeping all stakeholders informed of the company's financial health.

question of tare is one thing when a bale is being shipped to an American mill and quite another thing when it is being shipped to a foreign mill. There are practices that have grown up in the cotton industry over a long period of time that have become almost law, so we must recognize these practices of the trade in any solution of the question.

As the result of the study conducted by Mr. Beveridge, we have got the question of tare in its simplified form: the number and weight of the ties of the bales, the kind and weight of the bagging used on the bale, and the question of patching used at the compress.

It is regarding these three particular lines of work Dr. Taylor and Mr. Palmer and the other men who are interested in this conference, are coming to you, the members of the trade, for suggestions and counsel and discussion.

Dr. Taylor, I think that I have not particularly referred to publication. I find that during the last ten years we have had an average of one or more very constructive bulletins that have been put out touching upon some angle of the research work. Very briefly I might say that the research work has culminated not only in the Warehouse Act, but the Cotton Futures Act undoubtedly grew out of some of the research work. More recently the Cotton Standards Act and all that is involved in the question of universal questions are the results of work that has been done not exclusively by us by a long way, but where we have been perhaps a leader in getting the cooperation of a good many State agencies, the trade, all of us have done our part, but I believe we are willing to admit, all of us, that the cotton industry has made substantial progress in the last ten years; I think we will all admit that there are still grounds for further improvement as we look into the future. That covers, I think, the phases of the work that we are interested in on this little conference here today.

DR. TAYLOR: We had intended to have Dr. Kilgore first discuss means of reducing gin and weather damage, but he is not here, so we will proceed at once, to Col. Jordan whom we have asked to discuss Improvement of the Bale.

COL. HARVIE JORDAN, Secretary American Cotton Association: Mr. Chairman and gentlemen. I come to you as a representative of the cotton growing industry of the south having been a cotton grower all of my life and having had an opportunity not only of studying the methods of marketing and distributing our great staple crop in this country, but I have had an ocular experience of the manner in which our cotton is distributed in foreign countries. I have had an opportunity of meeting from time to time not only with the manufacturers of cotton in this country, but with the International Federation of Master Cotton Spinners in some five or six different countries in Europe, and I want to say that I have never been in a convention of foreign spinners, when the question of our bale did not come in for severe condemnation.

There is perhaps no subject of more vital economic importance to the cotton industry than that of reforming the baling and handling of

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

American cotton. Cotton is the most valuable monetary product of the nation and constitutes the leading commodity in our international commerce and in the textile industries of the civilized nations of the world.

Notwithstanding these important facts, the American bale of cotton is the most wastefully handled package which enters the channels of commerce in any country. The plantation bale of today is the same type of package turned out from the gins fifty years ago, not as well covered or handled with anything like the care and attention given by our grandfathers. The only improvement in baling cotton in the last half century has been the substitution of steam power presses in place of horse power, without bringing any economic changes in the size, appearance or covering of the package. The American bale is brought to market all tattered and torn, thrown about in mud and trash and delivered abroad in a most disreputable condition. In the language of foreign spinners, the American bale of cotton has come to be the "laughing stock" of Europe. It typifies the days of the tallow candle and stage coach.

The annual losses incurred by the growers and spinners of American cotton as a result of continued adherence to our present primitive and wasteful system of baling amount to at least \$150,000,000. In ten years this accumulated loss would pay for a crop of 12,000,000 bales of cotton at 25 cents per pound. There is no other organized industry in the nation that would permit a continuance of such waste in a highly valued product without applying the necessary economic reforms.

Not since the construction of railways in the United States has there ever been granted a carload rate on cotton. The "any commodity rate" has always been applied to the haulage of cotton bales. The same tariff rate per hundred pounds applies to the transportation of one bale or a thousand bales. The only concession granted by the railroads is an allowance to shippers for the cost of recompression to induce a larger tonnage of cotton bales loaded into freight cars at large compress or concentrating points in the cotton belt.

At Southern ports where cotton is delivered to steamers for export or New England points, the compressed bales from the interior must again be recompressed to secure still higher density to meet requirements at shipside. Every time a bale is handled at a large compress in the interior, or at shipside, it means added expense to the fixed charges and involves loss of lint cotton in waste and excessive sampling.

The railroads cannot be expected to grant carload rates on cotton bales until a sufficient tonnage of lint cotton is loaded into box cars at points of initial shipment to warrant reduced rates. The average freight rate on cotton bales per hundred pounds has been found to be from 200 to 300 per cent higher than the carload rates on corn, wheat, flour and other staple agricultural products.

The American bale carries the highest domestic and marine insurance charged for the protection of the staple of any cotton growing country in

the world. The tare on American cotton bales is far in excess of tare applied to cotton bales in other leading cotton growing countries, and jute bagging has always been most objectionable to domestic and foreign spinners.

The railroads are now urging shippers of all commodities to load cars to carrying capacity, but with the present large, low density plantation bales, an average of only fifteen to seventeen thousand pounds, or 30 to 33 bales, can be loaded in the ordinary box car at points of origin.

I want to say in this connection that the Illinois Central Railroad at one point there was loaded into one 44-foot box car 177 square bales of cotton weighing 85,000 pounds, far beyond the carrying capacity of the car, and the general freight agent of that great system of railroads said it was the best loaded car of cotton and the best cotton baled that he had ever seen in his life.

I shall not undertake to go into the detailed figures which in the aggregate total so large a loss upon the industry which could be saved through the adoption of a more economic system of baling, but will file a detailed statement of same with the Secretary. The statistics have been published in Government bulletins and other documents based upon actual comparative figures of the two systems of baling.

SOLUTION OF PROBLEM.

There is but one solution of the problem. It lies in the adoption of high density gin compression by which the gin bales will carry a density of 34 pounds to the cubic foot in place of the density of 12 pounds now applied. The total cost of installing 15,000 high density gin presses would be many millions of dollars less than the losses from one cotton crop under existing wasteful methods.

A suitable package to meet the requirements of the spinners, economic transportation, storage, insurance and tare, should be prepared at the ginnery. One hundred bales of gin compressed cotton, or 50,000 pounds, could easily be loaded into one box car at the initial points of shipment and billed direct to destination without further handling for recompression even at the ports. This would save two-thirds of the freight cars now employed in hauling cotton. The bales would be completely covered with not exceeding four yards of light, closely woven burlap and seven short bands for square bales, and the tare made absolutely uniform, regardless of the weight of the bale. The tare would be uniform and less in weight on round bales. The present arbitrary deduction of 6 per cent of the gross weight of the bale is a decided injustice to the thousands of cotton growers throughout the cotton states.

When the economies of high density gin compression were investigated by the War Industries Board of 1918, (and I took part in that investigation running over a period of nearly 5 months because I represented the economical baling of cotton as against the vested interests of those who were

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CONCLUSION

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6. The sixth part of the report deals with the results of the work done during the year and the progress of the work done during the year.

7. The seventh part of the report deals with the results of the work done during the year and the progress of the work done during the year.

opposed to it,) it was unanimously agreed that high density gin compression should take the place of the existing system of baling. • The report was endorsed by the War Industries Board, War Department, Federal Railway Administration, Shipping Board, Department of Commerce and Department of Agriculture. That document is on file in the Departments here. The secretaries of those various departments each signed that report.

In 1921, Senator Ransdell, of Louisiana, in order to open the way to the economies of high density gin compression, introduced in the Senate the following Bill:

A BILL

To regulate interstate shipments of cotton, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Interstate Commerce Commission shall establish and enforce preferential rates on shipments of cotton based upon the cubic contents of the bale. In reaching its decision the commission shall take into consideration the density of the bale, the amount of space it occupies, its uniformity in size, the character of its covering as a safeguard against damage or fire, and any other points that seem fairly to entitle it to favorable discrimination.

This Bill has never been presented for passage, although its enactment into law would undoubtedly bring about a speedy adoption of high density gin compression, with all of the economies attached to the system.

The economic reform of the American cotton bale through the medium of high density gin compression has time and again been endorsed and urged by our domestic and foreign spinners and the cotton growers of the Southern States. The main obstacle has been in the refusal of the railroads to grant carload rates on shipments of such cotton, and the natural antagonism of the large compress interests.

If foreign countries succeed in growing cotton in competition with the American staple, and it now looks as if that condition is going to develop, this country will undoubtedly lose its exports of raw cotton unless the bales delivered abroad are greatly improved over existing methods. Foreign mills buy our cotton because they cannot secure a similar staple elsewhere, and they severely condemn the disreputable and wasteful packages we deliver to them.

It is particularly gratifying to know that the Bureau of Markets has taken this important economic matter under consideration. If the Government will actively aid in reforming the present wasteful system employed in the baling and handling of cotton, the cotton growers may look forward to early relief from the heavy burdens they have been compelled to bear

for so long a period. A bale of cotton, because of its high intrinsic value, should go into the markets of the world reflecting credit upon the producers and the economic business management of the most progressive nation in the world.

I trust that this Conference will go upon record as urging the Department of Agriculture, through the Bureau of Agricultural Economics, to actively investigate the economies and practicability of high density gin compression and promote its general adoption in the future in behalf of the cotton growing industry and the spinners of the staple.

I thank you gentlemen for your attention. (APPLAUSE)

DR. TAYLOR: Colonel Jordan's mention of the character of the bale as it appears on the other side reminds me of a little experience I had last summer in Manchester. Our friends in Manchester took a committee of us about the port and made it a point to show us the appearance of cotton as it arrived both from the United States and from Egypt, and I confess we Americans were not very proud of what we saw. Now, it happened that the group of us Americans were being entertained that evening by the Manchester cotton people, and I was asked to say a few words, and I made the statement that we were ashamed of the appearance of our bales as they arrived, and that we were going to do everything we could to see if we could not improve the bales of the American cotton as it arrived in Europe, and I wish to say that that statement met an ovation and it was the headline in the press the next day, showing that it is a thing that they are very much interested in as well as we, and that Colonel Jordan has not over-emphasized that point, and of course, you know there are many things involved in this.

Now, before proceeding to the next paper I see in the audience Congressman Hampton P. Fulmer, and I want to ask him to say a few words to us, but before doing so, I want to say that my acquaintance with Congressman Fulmer began after the Fulmer Act was passed; there was a time when we didn't know whether Congressman Fulmer had given us something that was going to sink us and possibly him with us, or whether he had done a very important thing. We decided that he had done a very important thing in getting passed by Congress an act which, if handled in the right spirit by the American cotton trade and by the Department of Agriculture would become the basis of uniform standards for American cotton in order that cotton could be carried from the farm to the spinner in every European country on the basis of the same standard. I will not go into the details; you all know that we have had some downs as well as some ups in connection with the application of the principle of uniform standards, and too, because there were some people who had interests in the old regime that they were reluctant to give up. We have to confess to you when we got word from Europe last summer that while the Continentals and Manchester had remained with us that Liverpool had withdrawn and we were sore at heart. I am just going to tell you now that Liverpool begins to have a kindly feeling toward the idea again and has asked through our London representative that they might attend the standards conference. Those present at this meet will pass on

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the 40 sets that are to be used in all of the Exchanges as the final arbitration sets next year. We are having this Conference on the 9th of March, and the technical cotton men are coming in for that purpose. We suggested to Liverpool that if they were interested in uniform standards after the end of this cotton year, that is after the first of August, that we would welcome them as unofficial observers so that they would know how the job is done. They are coming and so it all looks hopeful and we are happy, and of course ready to greet them cordially and do everything we can in accordance with the Fulmer Act and in accordance with the interests of the cotton producer and the cotton trade to meet them on a fair basis.

Now, this was not all introduction to you, Congressman Fulmer, but I thought they would be interested in being up to date on the fact that negotiations are under way for re-establishing happy relations between Liverpool and the United States.

HAMPTON P. FULMER: Mr. Chairman, gentlemen of the Conference. I really did not expect to have anything to say to the Conference this morning, but I merely wanted to listen in and get all the information I could in connection with the various subjects discussed here this morning because I thought it would be helpful to me as a member of Congress in working out legislation in the interest of my people in the South, - the cotton people.

The question discussed by my good friend from South Carolina just a few minutes ago, to my mind is one of the most important subjects now before this Bureau and the American people. As Mr. Jordan well said a few minutes ago, we have been going along with this old-time tare ever since cotton has been produced in the South, and have not improved upon it. I am speaking to you as a practical farmer engaged in farming, ginning cotton on my plantation, and having bought and sold thousands of bales of cotton as a supply merchant, - I think that I know something about this subject. I want to say to you that the tare proposition has cost the cotton producer millions of dollars in the South. Today the cotton is covered largely by jute bagging running from two to three pounds, and, in some instances, cotton-bag cloth, and because of the lack of some uniformity in the number of pounds to be put upon a bale of cotton, why, the farmer believing that he is selling bagging, will try to put on all he can at the gin; he will buy three pound bagging and try to go to the limit, - 30 pounds, and then when he goes to his home market he meets up with the cotton buyer, and they have their rules and regulations in buying cotton as to tare, and in a great many instances they are fair about it, and in a great many cases they take advantage of the cotton producer and will say to him: "Why, this bale of cotton is covered with three pound bagging; I will have to knock off five pounds for excess tare." They have their own rules and regulations, and the farmer does not seem to have any redress and has to overcome these rules and regulations even if they are unfair. Now, the South Carolina and North Carolina mill rules permit 24 pounds tare on compressed cotton and 22 pounds on uncompressed cotton.

Naturally the buyers of cotton shipping to the mills of South Carolina and North Carolina have to buy so as to protect themselves, and as I said a few minutes ago, in a great many instances they take advantage of this, and although the farmer will bring in cotton covered with two-pound bagging they go to work and knock off a certain amount of tare.

Now, I am a member of the South Carolina Cotton Growers Association, and we have this to contend with, gentlemen, in shipping cotton from this Association to the mills in South Carolina and North Carolina and other mills. We will ship in a lot of say a hundred bales of cotton, uncompressed; they will take off the bands of say ten bales, and weigh the bagging covering these ten bales of cotton, and suppose they got ten bales with three pound bagging, with the full amount of tare, - 30 pounds; then they make that same allowance on the whole hundred bales of cotton, and will deduct ten or twelve pounds because their rules only allow 22 pounds, yet perhaps 75 or 85 bales of that 100 bale lot would not have over 22 pounds of bagging. The New England Buyers Association have a tare of 24 pounds to a 500 pound bale of cotton. Liverpool allows 6 per cent for tare; on a 500 pound bale it will contain 30 pounds, and that is one of the things that operates largely against the producer of cotton in the South. They understand that Liverpool will allow the exporter 30 pounds per bale tare. They believe that the price fixed in Liverpool is based on a 30-pound tare, and are desirous of getting the full benefit of it, yet we never know how much cotton will go into export, how much will go into the domestic market, and when these exporters get hold of this cotton they are allowed to patch the bale with extra bagging so as to get 30 pounds tare. We export something like fifty to sixty per cent of the cotton crop of the South, which, we will say with a ten million bale crop of cotton would amount to something like five or six million bales of cotton. If you will count a six-pound tare that the exporter really gets the benefit of over the producer at 25 cents a pound would amount to millions of dollars that we feel that the producers are being robbed out of because of the lack of uniform tare.

Mr. Chairman and gentlemen, I feel as a Member of Congress, the most important thing that the Congress can do at this time is to back up Dr. Taylor and the Agricultural Department in working out these questions in the interest of agriculture, and not so much in passing legislation and creating new Bureaus and new boards, but to stop the waste, for instance, on this tare proposition, so as to have a net savings to the producer of the country.

I want to take this opportunity of congratulating Dr. Taylor and Mr. Tenny on the splendid work that they have been doing in their Department here; as a matter of fact, Doctor, I do not think Congress, and in a great many instances the American people, realize what you folks are doing and trying to do for agriculture in your Department. When Mr. Tenny came before our committee the other night with his splendid statement, and I think I can voice the sentiment of every member of that committee, that they were very pleasantly surprised with the wonderful statement Mr. Tenny made over there in connection with your work.

Dr. Taylor mentioned a few minutes ago the Cotton Standards Act. That is a question that has been with me for years because in selling cotton and shipping it on to the market, and because of the highway robbery in connection with the grading of the farmers' cotton, and the grading at the other end we had to accept, and naturally I had to buy from the farmer so as to protect myself, and in a great many instances I knew at the time that he would not get a square deal, and I believe, Doctor, I hope that the time will come when you will be able to carry that proposition directly down to the farmer. It is not now operating directly in the interest of the farmer, so to speak, but indirectly it is helping considerably, but I hope to see the time come when there will be a uniform tare at the gin, and it will pass through the gin to the farmer without cutting and slashing and wasting, and without all the robbery that in some instances, perhaps not intentional, upon the producer. I thank you. (APPLAUSE)

MR. C. B. HOWARD: I would like to correct a misapprehension that Mr. Fulmer has in regard to tare. It stands to reason that the least amount of tare that can be put on any commodity that will properly protect it is the right thing. A mill buys lint cotton. The rules are based in such a way that there is a stated amount of tare so what a mill figures upon in the final analysis is the number of pounds of lint cotton, regardless of bagging and ties that they get. Now, South Carolina has a law allowing the farmer to put on six per cent tare. That law was evidently based upon the misapprehension that Mr. Fulmer has. The foreign markets do not allow six per cent tare, Mr. Fulmer. Forty years ago they did, but six per cent has nothing to do with the tare. It is simply the method of calculation by the foreign buyers. The foreign mills really allow twenty-six and a half pounds of tare on a five-hundred pound bale. If the cotton weighs more than five hundred pounds they allow a larger weight tare; if less than five hundred, less than twenty-six and a half pounds. Now, the trouble in South Carolina is greater than any other State because of that law allowing the farmer to put on thirty pounds. In New England it is a percentage basis, as you stated; on a five hundred pound bale it would be twenty-four pounds. In Carolina mills it is a flat twenty-four pounds, but that is going to be changed to a percentage basis as it is in New England.

MR. FULMER: Haven't you changed that recently?

MR. HOWARD: Yes, but it will go into effect next season, but all foreign business is a percentage basis, according to the weight of the bale but not over 26-1/2 pounds on a 500-pound bale. Now, when a farmer puts on 30 pounds, he is putting on more than any market in the world will take and it is a cost to him because the more bagging and ties you put on a bale unnecessarily is simply a cost to the producer. I am the general sales manager of the Cooperatives.

DR. TAYLOR: Our plan is this. We will hear from one more of the papers this morning, a prepared address and then, Dr. Kilgore will get

here at noon and we will hear from him in the afternoon session which will begin probably at 2 o'clock, after which we want to hear during the rest of the afternoon that is available, - we want to hear from everyone present on any phase of the subject of improving the market of cotton from the farm, from the time it leaves the farm until it gets to the mill, and we are hoping, - and I am mentioning this now because I want you to be thinking about it, - that there may be from the trade, from those in the cotton industry some committees that you people yourselves will appoint to work with us continually. That is, we cannot go to everybody in the trade, but we would like for you who have come and manifested yourselves interested, that you would work with us on each phase of the question of ginning, country damage, city crop and tare and so forth, or any other subject that you may feel interested in because we believe, as Mr. Tenny said, research is valuable just to the extent that it helps get the facts to enable us all to work together more intelligently in solving the problems. Research alone is not valuable unless it gets this fruitage.

MR. FULMER: In October and December I had this matter of tare up with the Department and I think in December or perhaps in January you wrote me that you expected to have this conference and that would be one of the subjects discussed, hoping that we might work out some plan whereby we could introduce some legislation to create a uniform tare on cotton and that is principally my plan, to wait on this conference and recommendations from the Bureau and to have folks discuss the matter here that we might be able to introduce some legislation that would be helpful and I agree with the gentleman over there in connection with the amount of bagging put on, I believe the farmers are really hoodooed when they think they are getting paid for the bagging. It would be much better to have something like Mr. Jordan said, uniform good quality of bagging.

DR. TAYLOR: We anticipate on this subject of tare, to continue the investigation after this conference and undoubtedly have a special conference on the one subject of tare a little later, but notwithstanding that we want to get all of these phases before us at this time. I wish to say also that I am anxious to have late this afternoon after the conferences is over a little conference in my office of the men in the cotton trade to talk over certain questions with regard to the uniform standards in order that we may get your views before meeting or making any preliminary negotiations with the representatives of Liverpool who are being sent over. So, that will be the last thing of the day. We will proceed now with the morning program and we have with us Mr. J. M. Bowen, President of the Spot Cotton Merchants Association of New Orleans, Louisiana. I will say that the New Orleans people have brought forward this question of tare, but we want Mr. Bowen, however, to discuss any phase of the question of improved merchandizing of cotton that he may care to discuss this morning in addition to the subject of tare.

MR. J. M. BOWEN, President of the Spot Cotton Merchants Association, New Orleans, Louisiana: Mr. Chairman and gentlemen. I was asked by Dr. Taylor a week or so ago to make a short talk to this meeting today on the subject of standardized tare, but since my arrival this morning I have been

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

requested to also tell you as briefly as possible our present method of handling the cotton in New Orleans because, in a way, at least, it has been revolutionary. I want to preface my remarks by saying that the talks made by Col. Jordan and Congressman Fulmer have done me a great deal of good because they are altogether in line with the things that the members of the New Orleans Cotton Exchange have been trying to accomplish for quite a long time. In regard to our present system of handling cotton there and the way in which it will interest this meeting is that it has resulted in a material reduction in the New Orleans city crop. I will say frankly, however, that that was not the object of our change of plan. Prior to about three years ago New Orleans perhaps had the most excessive handling charges of any port in the cotton belt and that was due largely to the fact that we were labor-union ridden and there was in the cotton handling trade something like twelve or fifteen different unions. Every man that touched a bale of cotton, whether a sampler, weigher, or marker or the man who turns over the bales, the tagger or any one else belonged to a union and every summer we had our arguments with these unions. We almost invariably had to meet their scale of charges with the result that our handling charges in New Orleans increased from year to year and following the war with the necessity of getting down to an economic basis, we found ourselves up against a very difficult proposition that meant either the life of the cotton handling unions or the life of the New Orleans cotton trade and we decided if we were to perish as cotton merchants in the city we might as well know it and perish at that time rather than wait until a later date. So, our primary purpose in revolutionizing our system of handling cotton was a matter of self-preservation and not a reduction of the city crop. That came as a matter of course and I will explain it briefly. Under the old system cotton was shipped to New Orleans, we will say, to a cotton merchant or cotton factor, and it was sampled on both sides of the bale. The sample was sent to the cotton merchants' office and displayed on the tables for sale. The buyer would come in for a hundred bales of cotton and that hundred bales of cotton would be turned out at a public warehouse; sampled again on both sides of the bale; handled and weighed again by two sets of weighers, the buyer's weigher and the seller's weigher, and very often, as you know, the buyer might ship a part of that cotton or none at all and he would put it out and sell it again. I have known of cases during the years when cotton went from 15 cents to 40 cents in that period of years when one bale of cotton would be turned out, resampled and resold as many as six or eight times in a single season. You can imagine the economic waste to say nothing of the tremendous increase in the city crop. Under our new plan of operation we eliminated every union in the city of New Orleans that handled cotton, not that we have anything particularly against the labor unions as labor unions, but certainly they were a tremendous handicap as they were operated in the New Orleans cotton market. The Cotton Exchange undertook to handle all cotton that comes to New Orleans. The Cotton Exchange represented by a committee of nine members, of which I had the honor to be a member, and I might add that it took us something over a year to work out this plan, - undertook to employ the most skillful weighers available at a fixed salary, the most skillful markers and handlers and samplers of cotton, and that has resulted in this. A bale of cotton is shipped to New Orleans today to

The first part of the paper discusses the importance of maintaining accurate records of all transactions. It is essential for the business to have a clear and concise record of all income and expenses. This will allow the business to track its financial performance over time and identify areas for improvement. The second part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will allow the business to track its net worth over time and identify areas for improvement. The third part of the paper discusses the importance of maintaining accurate records of all debts and obligations. This will allow the business to track its financial obligations over time and identify areas for improvement. The fourth part of the paper discusses the importance of maintaining accurate records of all taxes and other legal obligations. This will allow the business to track its financial obligations over time and identify areas for improvement. The fifth part of the paper discusses the importance of maintaining accurate records of all other financial information. This will allow the business to track its financial performance over time and identify areas for improvement.

a cotton merchant. It is sampled on both sides on arrival and it is weighed on arrival. It is weighed by two weighers, one man actually does the weighing and the other man is there as a very careful check. That sample is split, one half is sent to the cotton merchant's office and the other half to what we call our reserve sample department. The cotton Exchange has a two-story building in which a very elaborate system of racks has been erected and the samples are filed by tag number. We never know when a bale comes to New Orleans whether it is going for export, domestic mill, or delivery on contract. A great deal of cotton that is shipped to New Orleans is delivered on contract, and, of course, the delivery on contract is under government classification and government supervision. When a bale of cotton today comes to New Orleans and is weighed and sampled that particular function so far as that particular bale is concerned is absolutely finished. If I, as a cotton merchant, put a hundred samples today on my table for sale and sell them to a buyer, I bill that buyer for that cotton on warehouse receipts on the face of which is shown the weight of the bale of cotton by the official New Orleans Cotton Exchange weigher, that is the in-weights, and the buyer has the right to demand that the cotton be reweighed, purchased on reweighs and the seller has an equal right. However, I will say I believe that 85% of the cotton that is today shipped to New Orleans is bought and sold on the original weight; that one weighing serves the entire purpose. Now, that bale is never turned out for resampling. We give the buyer an order for the reserve samples and he sends his representative to that department and these hundred samples are put out on the display table. If he has any reason to feel that the cotton is not up to the original sample on which he bought, the settlement is made on it on the reserve samples against the original samples. Our rejections, which have been the bane of our existence for many years, have now dwindled to practically nothing. I do not believe that in this entire season that my firm, which is a large handler of spot cotton in New Orleans, has had as many as a total of 50 rejections out of cotton sold on samples and I am inclined to think it is nearer 5. That is, of course, a tremendous help to our entire trade. So far as the city crop is concerned you can very readily appreciate how that has been decreased by reducing the number of times a bale is sampled in the city of New Orleans. In regard to our charges, they have been reduced, the actual charges, just considering the one handling of a bale, about 60%, and when you consider the many times that a bale was handled prior to this change as against the number under the present arrangement, they have been decreased to such an enormous percentage that I would be reluctant to quote it to you. We feel, however, that so far as the New Orleans market is concerned we have definitely solved the question of handling cotton insofar as weighing, sampling, ^{and} marking is concerned and I might add that an exporter in shipping cotton simply furnishes the office of the New Orleans Cotton Exchange which handles that part of the work, his shipping instructions with tag numbers attached and they attend to the shipping, marking and every detail and make a charge far less than he ever paid prior to this system. Now, that system is carried on with us in this way. The Cotton Exchange has a committee that is called the Committee on Supervision and Delivery, composed of five members of the Exchange, all of whom are active cotton merchants in our market and all are working for the good of

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

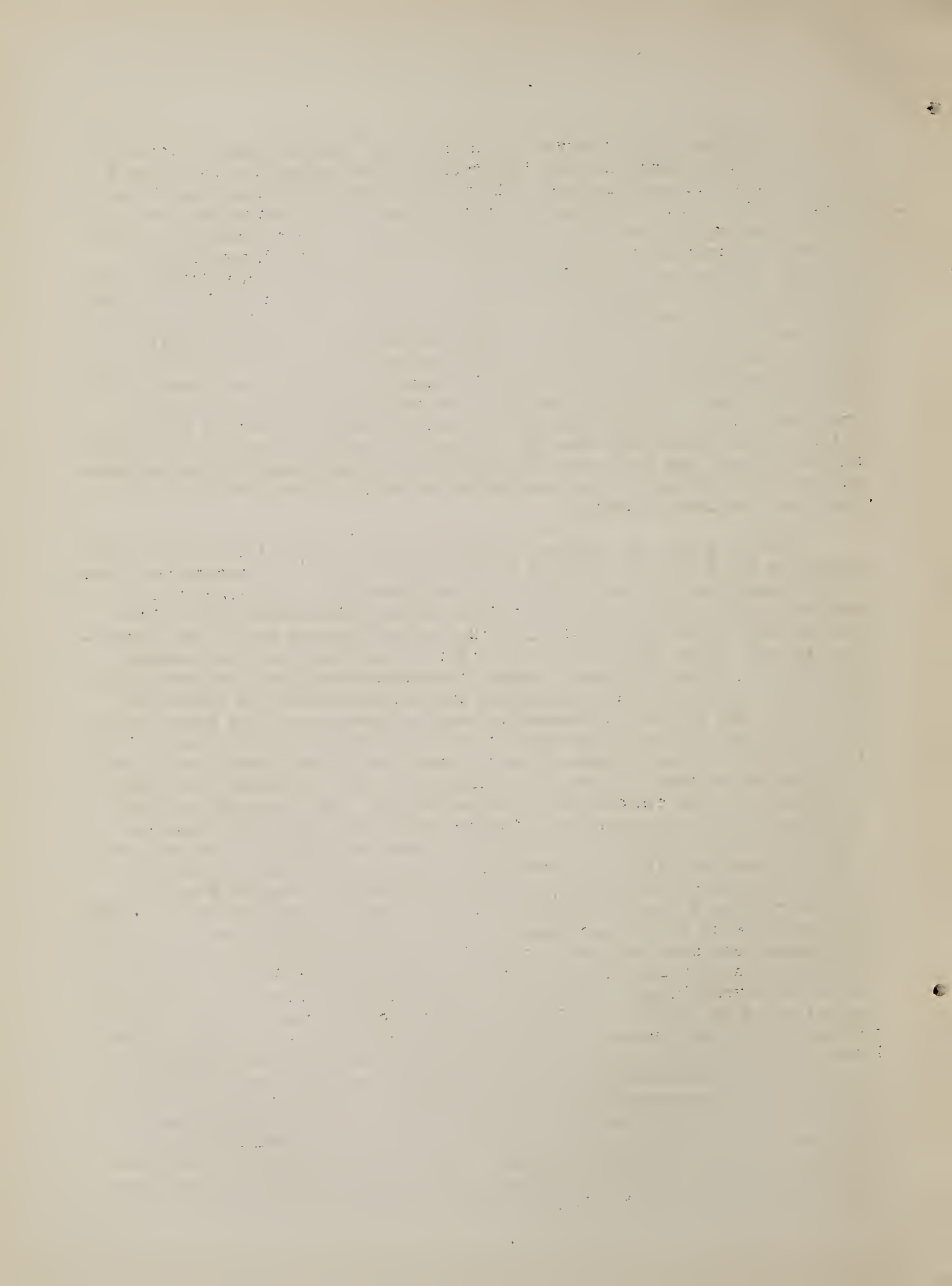
3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results of the study have significant implications for the field of research and may lead to further developments in the future.

5. The fifth part of the document concludes the study. It summarizes the main findings and provides a final statement on the importance of the research.

the cotton trade. Then, we have at the head of this department a man who is known as the manager of that department and he has as his assistant a field man who directly supervises the weighers and the markers and their helpers, and it is remarkable the way the proposition has worked out. Notwithstanding the tremendous decrease in charges that we have been able to establish and save the New Orleans cotton trade, that department is actually running on a profitable basis. We started out with a deficit of \$20,000 in that department and some of the larger firms in the New Orleans market agreed to underwrite it, in other words to make up the loss in case the operations of that department showed a deficit. Instead of that, we made up the \$20,000 and concluded that year with a very material and substantial credit balance as a result of which the charges were reduced, and this season, due to a larger crop and larger receipts than we expected there has been a further reduction in our handling charges, and today I believe I can safely say that the charges for handling cotton in the port of New Orleans, are certainly on a par and I believe cheaper than any other center in the cotton belt as against the condition three years ago when they were far more excessive.

Now, I think, Dr. Taylor, that fairly well covers that phase of the situation and I want to add what I can to this subject of standardized tare. It has been a pet subject with us in New Orleans for a long time, and I hope you will pardon me if I deal with it almost exclusively from a New Orleans standpoint, merely because I am better informed on how the proposition affects us in that market than I am in other markets, for anything that applies to New Orleans in regard to excessive bagging, and excessive patching, I am quite certain, applies almost universally. I think, however, that the question of excessive tare has been more acute and more intense with us than any other cotton receiving center for two reasons. In the first place, New Orleans, I think, receives cotton, picked and ginned and baled under more different conditions and receives cotton from more different sections than any other cotton center. The Texas points, for instance, receive practically all their cotton from Texas and Oklahoma. Savannah and such points receive their largest receipts from the eastern belt, whereas New Orleans receives its cotton from practically every section of the entire cotton belt. That is one reason. Another reason is that we receive a large part of our receipts from several sections in which the handling and baling and putting up of cotton are done on a very different basis. For instance, we get a great deal of cotton from South Mississippi which is a hilly country and the staple is short and the weight of the bales is very light. The average weight of bales from that section in normal years is around 470 pounds and during a couple of the short crop years we have just experienced they have run as low as 440 pounds. Right here I want to say in connection with the light weight bales from that section that I have gone into the matter rather carefully and it is due in large part to encouragement on the part of the ginners as well as any inclination or necessity on the part of the farmer. We in New Orleans feel that in addition to the matter of standardizing tare it will be feasible to also standardize weight of bales. There are difficulties to overcome, of course, but we think it is feasible. We know it is impossible to put up a bale to the pound, but believe cotton can be baled ranging within a



range of 50 pounds, say from 475 to 525 and it is very likely they can be gotten even within a narrower range. The Cotton Futures Act provides that we must deliver approximately 50,000 pounds of cotton on a future contract, and we cannot deliver less than 90 bales nor more than 110 bales. So, the Cotton Futures Act has put the bale of cotton within a standardized range of weight and we believe that the same thing can be done at the gin. It may work an occasional hardship for the man who has a remnant, but in the long run he will be better off because a man who puts up a remnant bale certainly suffers a very severe penalty.

In addition, we get a great deal of cotton from the Mississippi Delta that runs around 500 pounds, or something more than a normal weight bale and for many years in this section they have been prone to add excess bagging. That has been particularly true in the past few years with staple cotton and character cotton bringing tremendous prices. Recently a Memphis cotton man told me that he bought last summer a crop lot of several hundred bales and the cotton had on it eight yards of 4-1/2 pound bagging. I have never seen any 4-1/2 pound bagging but this was some special bagging, - 8 yards of 4-1/2 pound bagging. You can figure that out. We also get a great deal of cotton in our market from Louisiana. In the hilly sections of Louisiana the conditions are similar to South Mississippi. They have light weight bales and have the same amount of bagging on 450 pound or 350 pound bales (and there are lots of them 350 pounds) as they have on the heavier bales. Another abuse that we suffer from is this. At river points in Mississippi and Arkansas, they always add to the ordinary bagging on cotton what are called side pieces. That is a strip of bagging on each side that completely covers the bale. This practice was given birth during the old steamboat days when it was thought necessary, and doubtless was necessary, to completely cover a bale because it might be stored flat on the deck and be subject to the wash of the waves. This practice, I might add, is still continued and these side strips weigh anywhere from two to four pounds each which means from 4 to 8 pounds additional bagging on the cotton. The tare problem in New Orleans, like the poor, is always with us. I am told that away back in the days when the range of value was from 5 to 8 cents a pound that there was considerable controversy on tare. My memory only goes back about 20 years when I entered the cotton business. At that time the value range was from 8 to 12 cents a pound. I know that bagging was a very important consideration then and I can say to you that with the increased basic value of cotton the questions, or the importance of this question of excess tare has become more and more acute.

A good deal has been said here about the foreign export rules on tare. We operate under the 3-9/16 per cent rule which is known as the Liverpool Tare Rule. We have operated under that rule for many years and during the past six or seven years I have served on several committees appointed by members of the trade for the purpose of making an investigation and endeavoring to bring about some improvement in our rule. However, as the result of the many different kinds of cotton we get in New Orleans and the different areas we get it from, the committee, after investigating has concluded that for the New Orleans market at least that is about the fairest rule we can use. The practical operation of that rule, however, gentle-

men, depends upon the man who weighs the cotton. No matter how experienced or how honest a weigher is, I do not believe that any weigher can look at a bale of cotton and tell to a definite degree of exactness just how much bagging is on that bale. They can very often hit it within a half pound or a pound which is probably sufficient for practical purposes but they very often miss the mark very considerably. In cases where we have reason to feel that there is a great difference of opinion between weighers we strip ten bales, but even that, as Congressman Fulmer pointed out, is not a fair method of arriving at this conclusion. With the cotton value range now running from 25 to 35 cents the acuteness of our situation has been tremendously enhanced and last year, following the high prices of cotton, 37 cents, the excess tare problem became very great and a committee of 8 members was appointed for another investigation of the tare problem, 4 buyers and 4 sellers, each man being a representative of one of the larger firms in New Orleans. I have the honor of being Chairman of that Committee. We made considerable investigation among farmers, merchants, ginnermen, and compress men and to exporters generally throughout the belt. We secured the various tare rules in this country and made an extensive study of the whole proposition hoping we could work out some equitable plan that would meet with the approval of the entire trade and would later be put into operation through state laws. I want to say, however, that after our investigation, after covering a period of several months we concluded that there was only one agency through which an equitable standardized plan of tare on cotton bales could be successfully operated and kept in operation and that agency was the Department of Agriculture. As a result of that decision, we entered into correspondence with Dr. Taylor's department and we have been in almost continuous correspondence with them since that time. Now, there has been a great deal of criticism in recent years by business interests in certain quarters saying that the Government is interfering too much in business. Whether this criticism is just or unjust I am not prepared to say, but we all know there has been a certain amount of criticism, and particularly from offenders when their toes were stepped on. Our committee has recognized the fact that if the Department endeavored to take up and carry through this plan, that a similar criticism might come out in this instance because the cotton trade has not been altogether free from such criticism. We feel, however, that regardless of such criticisms and whether it may be just or unjust, that here is one instance at least in which the Government can render a service that is legitimate, badly needed, and absolutely necessary to every member of the cotton trade. This idea was largely promoted on our part by the fact that there is no doubt that excess tare is an economic waste. There are many people who feel that they make their profits in the cotton business out of patching cotton, putting on extra tare, but I want to say now that in my opinion any man who thinks he makes profit out of excess tare is a false prophet. I do not think there is any question about that. In New Orleans we feel that the cotton trade at that point, and it is also true generally, is in the legitimate cotton business to make a legitimate profit out of cotton, and not an illegitimate profit out of tare and every man who is a cotton man knows that when excess bagging is put on a bale of cotton that the farmer is the man who finally foots the bill because, when a cotton man buys or sells cotton he figures the amount of tare on it and it gets right down to

a net basis. The excess freight and excess insurance that is paid on surplus tare is taken out of the bale itself which means that the farmer foots the bill. To show you how the New Orleans cotton trade feels on this subject of standardized tare and also on the subject of the Department of Agriculture taking the matter up and handling it, about three or four weeks ago our committee circulated a petition in New Orleans on this very subject which covered the point in a paragraph or two and that petition, gentlemen, was signed and endorsed by every member of the Spot Cotton trade in the New Orleans market, in the New Orleans Cotton Exchange and that included three or four of the largest firms in the cotton industry, firms that have organizations throughout the cotton belt and throughout the world. That is our feeling on the matter in that market.

Relative to the appearance of cotton abroad, I expected to touch on that, but it has been so ably covered by Mr. Jordan that there is no need. I want to emphasize the point that Mr. Jordan made and that is, that we must recognize the fact that if the boll weevil continues to live, and nobody has killed him successfully yet, if the boll weevil continues to live, the matter of foreign competitive growth of cotton is going to become more and more acute. There is no question that the disreputable appearance of our bales has given American cotton a black eye in Europe and the sooner we recognize this and send to Europe a package that is comparable to the package that is put up elsewhere just that much sooner are we going to be on competitive basis. There is no question that legitimate exporters suffer from excess tare. Also there is another thing that gives the American bale of cotton and the American shipper a black eye and that is the fights an exporter has with his customers over tare claims. When you fight a customer you get in bad with him and very often claims that the exporter views as unjust are paid as a matter of policy. There are other people who ship cotton and patch it heavily but never pay a claim and that character of merchant is a very unwelcome competitor for the honest legitimate merchant.

Now, in regard to tare rules, that point has been mentioned. Nearly every port and receiving center of cotton, mill center, has a different method, a different rule for determining the tare on bales that reach that particular point. The rules in the Carolinas, in New England, Liverpool, and others, are all different. So far as the American farmer is concerned I feel that these rules having been made by the merchants and the mills at the points that receive the cotton naturally favor the receiving points and operate against the farmer, and I think that is something we can correct and should correct. Why the American farmer and American exporter should have to abide by foreign made rules is something absolutely beyond my ken and we have had to do it largely on account of our own fault because we have put up our cotton in a bad package. So far as our committee is concerned we have reached no conclusions as to the amount of bagging that should be put on a bale; we don't care; it doesn't make any difference to us whether the standard finally reached is 12 pounds of bagging or 22 pounds, so long as it is standard and every bale of cotton has the same amount of covering. We believe this is a function that the Department of Agriculture should handle and a decision that should be reached by them

after an exhaustive investigation. We think, however, that the logical thing to do is to put on a bale of cotton only as much bagging as is needed to properly cover the bale and properly protect it, but as to the amount, if the amount is standard, we will be buying and selling cotton on the actual weight of lint and it is just a question of calculation. We feel, however, that in addition to the wrapping at the gin that some arrangement should be made for a bale of cotton to be patched when it is compressed. Figuring on our present situation we feel that in order to properly cover the sample hole, provide proper marking space, that a patch should be allowed. Whether it be a three-pound patch or a five-pound patch I do not think makes a particle of difference so long as it is sufficient in size to do what it is intended to do and is standard.

Now, further, that objection will doubtless be brought up when the Department investigates this proposition that these various tare rules that exist throughout this country and in Europe will have to be taken into consideration. I, for one, believe that if the amount of bagging put on a bale of cotton is made standard, that all these various receiving points will recognize the authority of the United States Government, will recognize the fact that we have a standard package with a standardized wrapping and that all tare rules that now exist in these ports pertaining to American cotton, will be adjusted to meet the situation.

In conclusion, we feel in New Orleans that the matter of determining the amount of tare to be placed on bales of American cotton is up to the Department of Agriculture working in cooperation with the trade. We feel that the Department of Agriculture will, in its final decision, arrive at some fair and equitable amount of bagging to be put on cotton, but when this decision is reached we hope that it will be final and that a law will be enacted that will make it a penal offense for any farmer, any country gin man, any interior compress or any exporter at the ports to place on a bale of cotton any bagging or ties in excess of that provided by the law, and if we do that we will all be in a 100% legitimate cotton business and we will make our money accordingly and not make it out of what we feel is an illegitimate bagging and tie business. I thank you. (APPLAUSE)

DR. TAYLOR: It would have been proper, had we started this conference this morning by calling a roll and finding out who is here and giving each one present the opportunity to know every other person, but everybody was not present when we started, so we will just turn the thing about. I am going to ask Mr. Crosby to call the names of those who are here and ask each one in turn to stand so we may know you.

(Mr. Crosby called the names from the register.)

MR. ANDERSON GRATZ: I am a cotton manufacturer; also a cotton bagging manufacturer and in addition raise some 4,000 acres of cotton. Just one thing I want to say and that is that every bale of cotton is a different article of merchandise and has to be so treated. We run a mill

of 60,000 spindles and you have to have a staple of some particular strength and so it must come from some place. We don't run a cotton mill, we run a mill that makes satines and it cannot make anything else. So when you start in dealing with cotton as a unit and talk about cotton being shipped the country through, the thing cannot be done. Of course, our cotton crop is handled worse than our hay crop and if you can do anything to help us it will be appreciated.

MR. MARTIN AMORIS: I am a farmer. The question of grading cotton or the standardizations are fixed entirely from a trading, from a merchandizing viewpoint. This gentleman, a mill man, has called attention to what I think the most important thing the Agricultural Department can do in arranging standards and that is to get standards based on their spinning value. Some time ago I was in the Cotton Exchange in New York, talking with Mr. Hubbard, and being a farmer, he wanted to impress me with the fact that the cotton exchanges were not injurious to the farmers and he made this statement, that in his long experience there, he has studied to know if trading in future contracts injured the farmer. He said he could find no reason for that opinion but possibly that in the question of "differentials" in fixing those, they may injure the farmer, because the differentials were not fixed on the basis of their spinning value. That should be investigated by manufacturers. I am not sure as to the number of grades he took into these calculations, but anyhow he stated that his investigation showed that there was no difference in the spinning value in the different grades of cotton beyond $3/4$ a pound. Differentials are often fixed far exceeding that in buying the cotton from the farmers. I was talking also with a large manufacturer in Boston and he told me that in fixing the price in buying from the farmers, for instance, a pink stain lowers the buyer's price from the "middling basis", but it was shown that you could almost put cotton with a pink stain out in the sun and it would bleach itself. It was only a theory about the extra cost of bleaching a pink stain. A blue stain, he told me, was different. So, that those things impressed me. This is the first time that I have ever heard, however, that in their exchange bidding for or selling cotton they would consider tare in making the price on "middlings". I have learned it today. When the price goes out to the local spot market the dealers there have exchanges and then they fix from time to time the "differentials." That is done all over the country. Yet the price that the farmer gets for the cotton is based always on the exchange, say New York or New Orleans as the case may be. Even now in Chicago they are going to give us some more prices. But the "differential" is fixed at the local spot market. To give you an idea that it is not all "middling" at the last account of the Georgia Cotton Growers, the first report this year was 44,000 bales, and only 12,000 bales of "middling" and the other 32,000 were other grades, some better and a great many lower. The New York Exchange fixed the price on that 12,000 bales; the Atlanta Commercial Exchange fixed the price on the 32,000 bales at varying prices under or over the New York price. You cannot do anything greater, Mr. Chairman, for the cotton farmers of the United States, - and you have got to permit them to make a living if we are going to continue, because what is the use, if we cannot get a living out of our products, - you have got to fix grades so the farmer himself will know what he is selling and take care of it and have it ginned and all that sort of thing and know what he

is going to get for it and I think you gentlemen would do well to direct your attention in fixing standards to meet with the mill men and determine the spinning values of cotton and make your grades accordingly. Thank you very much. (APPLAUSE)

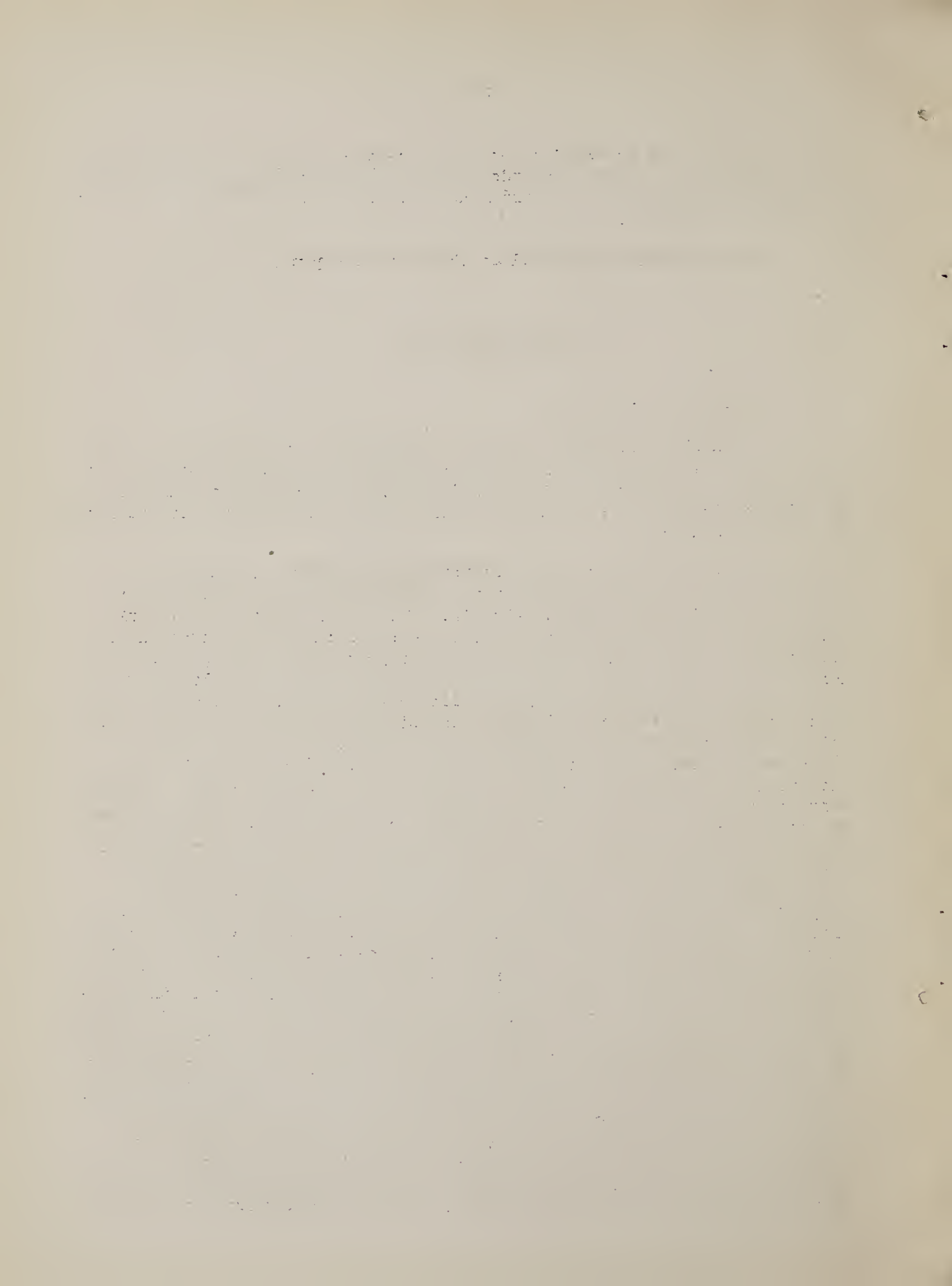
(The conference adjourned at 12:15 until 2 p.m.)

FEBRUARY 24, 1925,
2 P.M.

PRESIDING: Mr. Tenny.

MR. TENNY: Dr. Taylor has been detained and has sent word for us to go ahead with our program. The first paper of the morning was to have been given by Dr. Kilgore. He was delayed and the program was changed. Dr. Kilgore is with us now and will talk on Means of Reducing Gin and Water Damage. (APPLAUSE)

DR. B. W. KILGORE: Mr. Chairman and gentlemen. I want first to say something about the meaning of the standardization of varieties on quality and reducing damage at the gin. There is a great deal of work being done now and has been for several years on the standardization of varieties. We have made that one of our projects for extension work in North Carolina for several years and I know the other States have done the same thing. A few years ago, just a little far back, it seemed to be one of the things in the minds of experiment station workers to find new varieties and we had a very large number of varieties of all of our crops. I can remember when we used to put out every season 25 or 30 or maybe 40 different varieties, as we called them, of cotton, in our tests. A large part of our work was tests of varieties in the early days. This applied to cotton alike as it did to other crops. Conditions have changed and we are now trying to eliminate varieties and have come down to a few of the best varieties and to make these our standard varieties for production. This is one of the first steps in reducing the damage or establishing standards for quality of cotton at the gin. This has brought about some trouble in connection with the gin because where you have a community and they have the established variety and there are still some other varieties in the neighborhood, it is a difficult question to keep them from being mixed and this leads, when the role is not run out of the gin to the platting of bales. That is, one of the means of considerable loss in the ginning of cotton, is not running out the roll and having either a better or a poorer kind or quality going on to one side of the bale. The standardization of varieties will help to eliminate this, but nevertheless it would be a big saving in ginning if all of one variety of cotton, where it is brought in in a number of wagons, if it could be run through and then the roll run out before another kind of cotton is put through the gin. There is an opportunity for a good big saving there. We would then have cotton that is of standard quality, with character behind it. We have gone a long ways toward the establishment of our grades. So, the standardization of vari-



eties is something that we, as people interested in marketing, can afford to encourage, having in mind, of course, that we want grown the kind of cotton that is used by our mills.

We have run into considerable difficulty in the last few years trying to encourage the production of staple cottons in a number of States where mostly upland or short cotton was grown. We have encouraged the production of this longer cotton to the detriment of our farmers as there has not been a market for it. We should, I think, encourage the production and standardization of such varieties only as our trade will take. This is especially important in the States where we have a big mill industry, as in the Carolinas, Georgia and Alabama.

The plating of bales that comes about by mixing varieties brings about a big loss in the handling of cotton. One of the things, Mr. Chairman, that I should like to suggest to your bureau for investigation would be to determine the grade of cotton on the two sides of the bale; see what loss the farmer stands by mixing grades. I do not know how much plating there is, but where there is a mixture of varieties unintentional or otherwise, there is a plating of bales and the farmer is paid for the cotton on the basis of the low side. If he knew what this loss was and it was considerable, it would help us to correct this practice. It is a matter of education, in the main, to prevent this waste. It is a waste; and if we had the facts so we might go to our farmers and say that such and such a loss results from mixing of varieties in the plating of bales, we could put him on his guard to see that this mixing does not occur.

There is another loss right along this same line, and that is mixing the pickings of the same kind of cotton. This last year in the Carolinas we had a few weeks of good weather, when a good grade of cotton was produced; and then we had a prolonged rainy spell in which the seed in the open cotton almost rotted. The seed germinated in some cases. The mixing of the first picking with the picking right after the rain resulted in great loss to our farmers. We did everything we could to caution them not to mix these pickings and I think we accomplished a great deal. Nevertheless, the matter has not been brought to their attention in a strong enough way so that this bad practice can be corrected. I think the gin operator can do a great deal to prevent mixing. The gin operator ought to be an advisor, a technical advisor of the cotton producer to prevent the plating of bales and the mixing of different pickings of cotton. It would help his trade if he were. It would not take much time; I know these operators are very busy fellows when they start to gin cotton. They want to see how fast they can get through and get the cotton out of the way. Nevertheless, a little time spent advising the producer against the plating of bales and the mixing of grades would be well spent and would prevent a reduction of the price the farmer gets for his cotton.

Another loss is due to the gin-cut cotton. Gin-cut cotton comes from speeding the gin too fast or from ginning green or damp cotton. Of course, the farmer is responsible if he carries damp, green cotton, but I think the ginner is in a position to be an advisor of the farmer, to tell

him when his cotton will not gin properly. Ginners could be of great service and increase their own business by showing that they are reliable operators, that they know their business, and will advise when cotton is in condition to gin well and when it is not. Of course, the cutting of cotton from the speeding of the gin is not the fault entirely of the operator of the gin and there is no redress for the farmer. Notwithstanding, I think the farmer should have a redress on an operator of a gin who will ruin his cotton or reduce its value by operating the gin at too great a speed.

The hardest cotton that our cooperative associations have to sell has been gin-cut cotton. I do not know what the loss is, but I wish you would make an investigation so that we might know what the loss is to the farmer from gin-cut cotton. Gin-cut cotton is the hardest cotton we have to sell; it is hard cotton to handle. We don't blame the spinner for not wanting that kind of cotton, and as it is something within the power of the operator of the gin to correct, there ought to be some redress. Great good might come about if we knew just what the damage was and we could present it to our farmers and the public with a view to working out some way of making the gin operator responsible for the damage. At any rate we ought to get at it and wipe out that waste. It is a big waste.

I missed the benefit of the discussion of the morning, much to my regret. I am wondering whether a plan could be worked out by which there would be less frequent sampling of cotton. I understand that was discussed here this morning by a representative of the New Orleans Exchange. We tried sampling at the gin in North Carolina, but we didn't get very good results because the buyer didn't want to buy the cotton on the sample drawn at the gin.

We cannot blame the trade altogether because we have to establish a departure before we can expect the trade to accept it. I did not blame the buyers of that cotton for not taking our gin samples. However, I thought it would be a very excellent practice if we could have put it into operation. There is an opportunity, I think, in sampling at the gin to bring about a considerable saving and we would add a lot to the appearance of our cotton. A bale of cotton that has been cut once or twice or three or four times as is the case many times has a very ragged, disreputable appearance, in addition to the loss that comes about from this frequent sampling.

So, the matters that I had put down to suggest are: An investigation of the grade on two sides of the bale; an investigation of the loss from gin-cut cotton; an investigation of the practicability of gin or other method of sampling cotton.

After the ginning, we come to the covering of the bale. Possibly that was discussed this morning, but uniformity in covering of the bale would bring about savings. We have all sorts of coverings in amount and quality. I think there is a more urgent demand than there has ever been before, for standardization of the covering of cotton. There is need for

a certain amount of bagging, of a certain weight, say 6 yards of 2 pound bagging, or 6 yards of 2-1/2 pound bagging, and six ties of a given weight. We would like, in our State, to have a law which would be uniform with other State laws. South Carolina has a rather extreme law and I had a letter from the Cooperative Association of South Carolina just before I left, stating it hoped we might reach some conclusion here which would be reasonably agreeable to all the States so that they might make an effort to act. So, if we were to agree to have a tare of 22 pounds for uncompressed and 24 pounds for compressed cotton, a good many of the States would possibly pass laws this year putting it into operation. This would help us to get uniform covering of cotton, and then along with that if we could work toward the uniformity in the weight of the bale.

I know some farmers think that if they get more bagging and ties on the bale, they gain that much, not knowing that they are going to have to suffer and all others are going to suffer for it. We could do a good deal, I think, to reduce this loss because there is a loss if we have an excess amount of tare in one case and not in another. We could make a saving by bringing about uniformity in the covering of the bale and in the weight of the bale.

Now, the other part of the subject assigned to me relates to country damage. I know the Department has made an investigation of country damage and the figure is a right considerable one. That is one of the things that the Cooperative Associations have practically eliminated, that is, country damage. The cooperative associations have eliminated country damage because their cotton is stored in good warehouses and insured and well taken care of and pretty well handled. That is one of the rather large number of good things that the cooperative associations have been able to accomplish, the reduction of country damage. It came about automatically, very easy, because of the plan of handling our cotton from gin to warehouse.

Now, Mr. Chairman, that is about all that I have to say on the subject given me and I am very glad of the opportunity of coming to this meeting and I am sorry that I did not hear the talks this morning. (APPLAUSE.)

MR. TENNY: I would like to read a letter from the Oklahoma Cotton Growers Association.

February 20, 1925.

Mr. H. C. Taylor, Chief Bureau Agricultural Economics,
United States Department of Agriculture,
Washington, D. C.

My dear Mr. Taylor:-

I first want to congratulate you and your associates, past and present, on the program that was announced some twelve

years ago in connection with improving methods for the handling of cotton.

Also, think you are to be congratulated on the results that have been accomplished during that period, especially when we take into consideration the very abnormal conditions that obtained during a large part of the time. But the biggest thing that you are to be congratulated upon is that you have called the conference for next Tuesday, February 24, in which you intend to attack the problem of the elimination of other avoidable losses.

I am sure that your studies up to the present time have given you a rather comprehensive understanding of the losses that are suffered and at least some practical conception of the methods to be adopted in their elimination.

I believe the question of country damage has been very largely solved, insofar as it affects cotton handled by co-operatives and that the example of the co-operatives will have a beneficial effect on the methods of handling all cotton, as concerns this particular type of loss. But the full benefits of this elimination of country damage will not be realized until all cotton is so handled as to prevent this damage occurring, so that this is really the important part of our present study.

The city crop situation has also been very greatly improved by the methods employed by co-operatives but there is yet much to be done in this regard. In discussing this question of city crop, lately, with some of the largest warehousemen in the business, I find that these perfectly splendid gentlemen have been accustomed to gathering and marketing a city crop so long that they actually take offense at the suggestion that they are not justly entitled to this crop and that their contracts with their customers should provide for the least possible amount of this crop and that the value of that small amount should go to the customer owning the cotton.

With reference to bale covering, I believe this is well deserving of careful attention and that by some means a universal standard be arrived at. I have recently watched a cargo of cotton being loaded on board ship during which process of loading this cotton was going through its fourth baling and wrapping, or covering process. These four processes are as follows: baled at the gin press, at which time about twelve pounds of wrapping was put around the bale; baled at the standard compress in transit from gin to port, at which time an extra five pounds of wrapping was put on the bale in the shape of patches; baled again at high density press at port, at which time three more pounds of wrapping, or patches, was put on the

and the other side of the mountain.

The first of these is the fact that the mountain is not a single mass of rock, but is composed of many different layers of rock, each of which has its own characteristics. The second is that the mountain is not a single mass of rock, but is composed of many different layers of rock, each of which has its own characteristics.

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bale; then baled in this last process which I witnessed, when four extra pounds of patches were added to the bale; making a total of twelve pounds of ballast that this bale carried, in addition to bagging and ties that were put on it at the gin. There can be no justification for selling this ballast to a man who only wants cotton.

I have personally done a great deal of investigational work in connection with trying to find a remedy for these wastes and I have satisfied myself that neither the country damage, the city crop, the excess weight that is carried in the way of patches, or bagging, nor the money that is wasted in the multiplied baling, handling, weighing and sampling processes can be saved until the man who pays all this cost and suffers all this damage is made to see what it is he is losing and that then he will demand that his cotton be handled in such a way as to avoid this loss.

Fortunately for us at this time a considerable part of the investigational work to determine how these wastes of country damage, city crop and excess tare can be avoided have already been made. In September, 1917, the Consul General of London complained to the State Department of the United States about the wasteful methods of handling cotton employed by America. This complaint was referred by the State Department to the War Industries Board and under the direction of General Goethals, a survey was made. The report of this survey was printed in 1918, under a bulletin entitled:

IMPROVED METHODS
OF BALING COTTON.

as advocated by

THE STORAGE COMMITTEE OF THE WAR INDUSTRIES BOARD.

in co-operation with

THE SOUTHERN COMMERCIAL CONGRESS
NATIONAL COUNCIL OF AMERICAN COTTON MANUFACTURERS
FARMERS UNION OF COTTON STATES
COTTON STATES OFFICIAL ADVISORY BOARD

with the approval of the

WAR DEPARTMENT
DEPARTMENT OF AGRICULTURE
DEPARTMENT OF COMMERCE
SHIPPING BOARD

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You will find one copy of this bulletin in possession of the Superintendent of Documents of the Government Printing Office. So far as I am able to find out, that one copy is the only one in existence, save one that I now have. If you could get the Superintendent of Documents of the Government Printing Office to bring this copy to your meeting, it would give you not only some striking, but I believe startling, information in connection with the handling of cotton. You will note that this report, which is supported officially by all the Departments in Washington, shows that eighty-one per cent of the railroad costs of handling cotton is now wasted and, I believe, that in actual practice you will find this statement to be very conservative.

There is just one important thing that I believe is not covered in this report. That is, that they do not say that the machinery with which cotton in other parts of the world is put up properly and by which the saving of eighty-one per cent of the railroad costs, plus most of these other wastes in the shape of country damage, city crop and excess tare can be saved, is now and has been for twenty years or more made in the United States.

It seems to me that the biggest thing we could possibly accomplish in the next few years would be to give publicity to documents such as this one published in 1918 and then see that facilities are put in use that will enable cotton to be handled in this economical manner.

In order to get the greatest benefit out of this method of handling cotton, it will be necessary for the gin plant to become a little larger and more responsible unit than it has been in many cases heretofore. When and if this is done, it would be desirable that the sample be selected by the ginner with the farmer looking on while the cotton was being ginned. In this manner, we would get a sample that, if selected by an honest, fairly well qualified ginner, would actually represent the quality of the bale. We know that one-half of the sample comes out of another man's bale and that the other half is simply 1/1000 part of the bale, taken, so far as all practical purposes are concerned, by a blind man. If this method of ginning, baling, and sampling cotton were put into practice we could have a standard weight for bagging and ties. We could absolutely eliminate country damage and city crop; eliminate the cost of multiple compressing, handling, weighing and sampling; could mark the bales so that their identification would always be perfect and ship them in carlots of at least 50,000 pounds to the car.

This program could be made to eliminate all of the wastes and uncertainties now in connection with the handling

of cotton save one. This other being the variation in weight because of atmospheric conditions. I do not know just how or when this difficulty can be removed, but I certainly think that your Department will be able before long to furnish the cotton world some kind of standard of moisture content and a means of determining this moisture content; thereby, setting up a definite and final weight, so that a bale of cotton can be weighed once and delivered any place in the world as so much cotton regardless of the amount of moisture it may contain at time and place of delivery. This alone would probably save as much as any other one thing that can be done in connection with the economical handling of cotton and would do more in establishing proper business relations between the various interested parties than any one thing, as the uncertainty of the actual weight of a bale of cotton is now the cause of more dissatisfaction in the cotton world than probably any other one thing.

Because the present uneconomical methods of handling cotton has resulted in a ruinous freight rate being established, I have recently had up with the Transportation Division of the Department of Commerce, the proposition of trying to get the American Railway Association to encourage the proper handling of cotton by the establishment of a rate on full carlots of 50,000 pounds or more of cotton from point of origin to final destination, or port terminal. This Transportation Division of the Department of Commerce has a typewritten copy of this bulletin above referred to, which I am sure will be available for your conference, if you find it is impossible to get the official copy from the Superintendent of Documents Office. But I would urge that you get the official copy, if possible, in which is contained some very striking illustrations, the effect of which cannot be seen from the typewritten copy.

The Cotton Research Company, Inc., in Boston, has been conducting exhaustive tests for several years to prove the value of different kinds of cotton. In this way, they have made available an enormous lot of information that would be extremely effective on the farmer, as I understand it, in persuading him to adopt a standardized method of growing and handling standardized cotton. An almost incalculable amount of increased value can be put into our cotton crops by the application of the facts already perfectly established by the work of this laboratory. I would suggest that one of the big things in connection with this program would be the spreading of this information to the farmer and to the general public and then, of course, carrying forward the program of the universal standard for classing cotton and for the practical application of these standards to the business of all the agencies interested in handling cotton.

Very truly yours,
OKLAHOMA COTTON GROWERS ASSOCIATION.

(Signed) C. L. Stealey
GENERAL MANAGER.

CHAPTER II

The first part of the chapter deals with the general principles of the theory of the firm. It begins with a discussion of the firm as a collection of individuals who are organized to produce goods and services. The firm is then defined as a legal entity that is separate from its owners and managers. The chapter then discusses the firm's objectives, which are to maximize profit and to minimize costs. The firm's production function is then introduced, which shows the relationship between the firm's inputs and its outputs. The chapter then discusses the firm's cost function, which shows the relationship between the firm's inputs and its costs. The chapter concludes with a discussion of the firm's market structure, which is determined by the number and size of firms in the industry.

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DR. TAYLOR: We decided when we were calling the conference that it might be a good thing to arrange at the beginning for certain people to speak in this conference on these various points, but everybody present is free to express himself in any way. We are anxious to proceed from the more formal to the informal, and the conference is now wide open for floor discussion. We would like to hear from all of you.

MR. J. M. BOWEN: I should like to say a word in regard to the city crop. I mention this only because it may apply to other concentration points. Mr. Stealey wrote that letter?

MR. TENNY: Yes.

MR. BOWEN: Mr. Stealey says that the warehouses generally throughout the belt have retained the loose that falls to the ground and is trimmed off their samples. I think that has been uniformly a perquisite for warehouses and is practiced everywhere except in New Orleans where it has always been handled, or for many years, on a different basis. That perquisite is taken by the Cotton Exchange. The samples are loose and the trimmings from the samples at the various city processes and the public warehouse are gathered up by what we call loose boys who operate under a certain department of the Exchange; that loose is sold and credited to our loose fund the proceeds of which are used for the work that the Exchange does in the way of supervision of cotton. This supervision is carried out for the benefit of both the interior shipper and the exporter at the city front docks. There has always been more or less feeling in New Orleans on the part of the warehouse interests that they should be entitled to that perquisite, but handling the matter as it is eliminates all unnecessary loose and I believe that the amount of loose and of sample trimmings is relatively minimized. I just thought you may like to know this point because a similar practice could undoubtedly be put in operation elsewhere.

MR. J. A. EVANS: I want to add a word to Dr. Kilgore's remarks in regard to gin-cut cotton. There is one cause, and I believe the greatest cause of all, that Dr. Kilgore inadvertently omitted and that is mal adjustment of the gin itself or the saws. In Oklahoma, after the Cotton Marketing Association was established, there was so much trouble in selling gin-cut cotton, and I think, by the way, that none of us yet appreciate the loss which comes from that source, that a law passed in the legislature making the gin a public utility and appointing gin inspectors. You will find the report of the inspectors' work in an Oklahoma Bulletin. There was found in a total of some 400 or 500 gins inspected more than two-thirds were defective in this particular, that is, mal adjustment of the saws. The saws dragged against the ribs and that caused the cut cotton. I haven't any doubt that if such an inspection were made of the gins of the country, two-thirds of them, possibly a larger percentage, would be found defective in this way and in gin-cutting that is where the biggest loss comes in. Now, cotton is in fact an article of interstate commerce; the great majority of it goes into interstate commerce. I do not see any reason why gins should not be declared public utilities and why under some such arrangement

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It includes a brief history of the project
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provisions for inspection could not be made the same as in Oklahoma. I think the interests are agreed there, that gin inspection has saved a great amount of money in the last two or three years since it has been in effect. I am sure it would save a great amount of money in every other State.

DR. TAYLOR: Mr. Evans, one last thing which may come farther than that is cooperation, - education and cooperation within the State, then with the Federal Government. That word cooperation is very popular these days. We are not a bit afraid to use it.

MR. L. R. BUCKNER, Arkwright Club: There are two points that I have in mind which I think are worthy of consideration. One is bale covering and the other is the marking of cotton. Now, there has been some stress laid on the point of tare this morning and the suggestion, which I think is a good one, of standardizing the weight of the bale and standardizing the tare. In doing that you would get a good package and that would take care of the point of bale covering and then when you get a good bale covering it would take care of the point of marking. Marking is causing a considerable amount of trouble in New England, that is, a bale is marked with stencils. The stencil sometimes is put on it in the most inconspicuous place and then a patch covers up the mark making it very hard to find. To take a specific case, - a shipment coming in was 13 bales marked NELL. One of the bales was marked very indistinctly but it looked like NELL and we took it in. After the cotton had been checked up and stored in our warehouse and a claim made for loss, there developed down at Fox Point, Rhode Island, another bale marked NELL. The bale was sent up to our mill and I went up with the railroad man and we found the original bale had two other marks on it besides NELL. It was finally found that this bale belonged down in Passaic, New Jersey and we had to take that bale out and send it down to them and take the other bale in and register the other weight and so forth. Another case we had was a shipment of 62 bales of cotton; 60 bales came in and finally two more. The cotton was sampled and found to be good middling, inch and three-sixteenths staple, whereas we had bought middling cotton of inch staple. The cotton was not acceptable for our use and we had to reject it. It was brush marked. It was found to belong in Newport and we sent it there. One of our bales was finally found at New Bedford and sent to us and the claim is still out for another bale. That is the trouble with steam-ship companies marking the cotton. This bale was a blind bale. Now, if there had not been a blind bale we would not have had this trouble. Now, I think this steam-ship marking is in a great way responsible for the remarking of the cotton, but if we have a good stencil put on in the proper place on a good piece of bagging it will eliminate a good deal of the trouble experienced with lost bales. Season before last we had 700 odd claims filed through the Claim Bureau of the Arkwright Club, 700 individual claims for lost bales and I think I am safe in saying between 25 and 50% of these was due to poor marking. Now, it seems that perhaps a thousand bales lost during the year in New England would be a small percentage out of ten or twelve million bales, and each individual claim causes as much work as a shipment of a thousand or ten thousand bales properly marked. I think if we were to standardize

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the bale, to standardize the tare, to have the bale properly covered and marked, putting the mark in a good place, it would eliminate considerable trouble that we are having now. It is costing us a lot of money and taking a lot of time just for one or two bales lost out of a shipment. I think if a piece of white duck or something of that sort were put on the bagging under, say, at least two bands and the mark stenciled with an aniline dye, a mark that would show up and stand hard use and distinguish the bale, a lot of the trouble we are now experiencing would be eliminated.

DR. KILGORE: We have a proposed law, or rather have a bill now in our legislature providing for a metal tag to identify the bales. Arkansas has such a law requiring a metal tag to be attached to the hook. These tags would be provided by our State warehouse superintendent so that every gin would have to put this metal tag on its bales and keep at the same time lists of the people for whom they ginned the cotton and the number that went on the bale. That would be a means of following the bale from the producer to the manufacturer and it might help to bring some of these other matters of uniformity we are proposing in following up the bale. It occurs to me that that is a very excellent idea and we are hoping that our legislature is going to pass it.

DR. TAYLOR: What would be the reaction of the manufacturer on the metal tag?

MR. BUCKNER: I do not feel that the metal tag is as conspicuous, as easy to identify as to have a piece of white cloth or to have the bagging itself stenciled and the metal tag, I feel, would be more expensive and I do not feel it would show up as well.

DR. KILGORE: It is just a matter of a few cents.

MR. N. A. FLOYD: To my mind, the most important thing in regard to covering cotton is to eliminate the practice of using bagging over and over again. I am a buyer for a number of mills and we frequently get cotton that has bagging on it which is not much more than rags. It has been used over and over again. Sometimes it has as many as three gin tags on it, showing that the same bagging has been used for three seasons. It is utterly impossible to fasten a tag on a bale of cotton like that which will stay simply because you can take your hand and tear it out without any trouble. The wrapping used should be new bagging and used only once. Then there would be no trouble to stencil it so it will be marked plainly making a very much nicer package. I think that is the most important feature we have to consider in the covering of cotton.

MR. BROWN OF Waco, Texas: I see some of these mill men sitting around here and while I do not wish to throw any levity into this, it strikes me that the remedy is largely in these gentlemen's own hands. That stuff is sold back to these people who mark it and that is how it happens to be used again.

MR. FLOYD: I buy for these mills, buy 60 or 75,000 bales of cotton and I issue instructions not to patch one bale. Every pound of it has been sold.

MR. BROWN: I should like to ask one question. I am sitting here to inform myself, but I think there has been an appropriation by Congress during the last year or two years possibly, of \$25,000 or \$30,000 for the purpose of investigating the possibility of gin sampling or arriving at the grades themselves at the point of first shipment. I think there has such a bill been passed, such an appropriation been made?

DR. TAYLOR: We have \$25,000.

MR. BROWN: I am just wondering if somebody could tell us what has been done with this investigation.

DR. TAYLOR: It was not gin sampling that this was appropriated for. It was shipping point inspection which might be worked out in the form of gin sampling.

MR. BROWN: That was the point you made this morning about inspection. You mean inspection as to class?

DR. TAYLOR: Yes, classing the cotton.

MR. BROWN: I was just wondering how far they had gotten with that investigation.

MR. TENNY: We have made very little progress on that particular project. In the appropriation act, under which we are now operating, there is an addition of \$25,000 for the purpose of expanding the shipping point inspection of perishable farm products. You perhaps do not recognize yourselves in that category, but that is the appropriation that could be used for shipping points inspection work on cotton. Now, the purpose of that was to try to work out a method of developing the putting of a class on cotton at shipping points and issuing a certificate that was prima facie evidence as to the grade and class of cotton. We have done some preliminary work on it but we have run up against a good many difficulties and I am frank to say that up to the present time we have done nothing in the way of issuing certificates.

MR. GUY MELOY: I think it was about 1914 or 1915 that the Department did make some investigations along that line and in Arkansas a law was passed. An experiment was tried at the same time to have the samples drawn at the gins but it did not prove practical at that time. The first trouble with the gin-drawn samples was that they had not been pressed and so the grade could not be readily determined by those who were skilled in the art and who were used to looking at concentrated foreign matter and other things that are not found in the loose cotton that is drawn as those samples were drawn. That was the net result of those investigations at that time.

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MR. TENNY: I want to make it clear from what Mr. Meloy has said, as you may get a wrong impression, that in the discussions before the committee in the expenditure of this money there was nothing said looking toward the classing of cotton at the gin in the loose form. That was not what the appropriation was made for. It was made with the idea of taking the samples from the bale after it had been ginned and pressed and issuing a certificate on this bale. I am not saying that it possibly could not have been used for the purpose of this former work but there was nothing in the discussion leading us to believe that that was the intent of Congress.

MR. HOWARD: Mr. Chairman, Mr. Stealey touches on one point that I would like to ask about for information. Has the department ever made any tests as to what is normal moisture in cotton?

MR. PALMER: There were some preliminary tests made, I think, about 1916 and the results of those tests were published.

MR. HOWARD: The percentage of moisture?

MR. PALMER: I am not sure that they were pushed through to a conclusion. I think the tests conducted in the State of Arkansas showed a normal moisture of around 8.6%.

DR. TAYLOR: Such a percentage, of course, would have to be established, more or less arbitrarily on the basis of the experiment.

COL. JORDAN: I would like to say that in that connection I have seen them test the moisture for cotton in some of the foreign mills, particularly in France and Great Britain; and on their testing machines, which they used in testing it, they have found, so they inform me, that normally dry cotton contains 8% of moisture, that is, 40 pounds of water to 500 pounds of lint cotton and when it runs to 12 or 13 per cent it is called excess moisture. I have seen the machines they weigh it on and test it and it is a very interesting process, but they inform me that each bale of cotton was entitled to 8% of moisture just like milk is entitled to about 80% of water.

MR. HOWARD: I do not think that 8% is enough is the reason I asked. I believe the normal moisture of cotton is more than 8-1/2%.

DR. TAYLOR: That is a subject that would require laboratory as well as practical experimentation. I am rather impressed, as one who sits on the outside and watches this work go on, as my position is on this, that there are a very great number of very important questions connected with cotton marketing that must be solved before cotton can be marketed on the basis of a definite amount of water. The fact that we are even talking about it sounds hopeful. Are there representatives of the State Departments of Agriculture, the extension forces, the Agricultural press as well as cotton manufacturers, cotton producers and cotton merchants, who have anything to say?

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THE ECONOMIC SITUATION

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The sixth part of the report deals with the future of the country. It is a very interesting and detailed account of the country's future and its present state. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the knowledge of the country.

The seventh part of the report deals with the conclusion. It is a very interesting and detailed account of the country's conclusion and its present state. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the knowledge of the country.

The eighth part of the report deals with the appendix. It is a very interesting and detailed account of the country's appendix and its present state. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the knowledge of the country.

MR. DEAN: I have a telegram from the President of the Galveston Cotton Exchange that I would like to read, which is as follows:

"Referring to Mr. Black's telegram regarding conference tomorrow we will be glad to have you speak for Galveston Cotton Exchange." Telegram to which he referred reads as follows:

"I am advised that Dr. Taylor of the Department of Agriculture has called a meeting February 24 to consider recommendation of uniform tare on cotton and gin compression and a number of other matters that in the opinion of the cotton trade should be left strictly as a matter of negotiation between buyer and seller and not made the subject of legislation or governmental interference. The requirements of different countries, different methods and distances for transportation render it extremely undesirable that any rigid regulations should be adopted."

(Signed) Harry A. Black,
Vice President."

MR. BROWN OF ALABAMA: I wish to give the position of our State Department of Agriculture in this matter. We have gone into all this work in a most exhaustive manner with a cotton ginner, grower, spinner and all the factors. We have a regulation, have a law in Alabama requiring uniform tare, 18 to 21 pounds, and we have asked all the spinners and all the cotton factories to advise us of any violation of this regulation. We have had splendid cooperation from them. We have found, after considerable investigation, that if you put on a uniform tare at the gin then the cotton factor, to whom the ginner was shipping, would take care of that matter by adding patches as he saw fit. This is a matter, so far as we have been able to ascertain, that has adjusted itself very nicely in Carolina, New England, or European trade, and we have done considerable research work along that line. We require that the cotton not be set out to take rain to take care of this moisture, and we have the ginner put on the initials of the grower and the gin number. We find in sampling this cotton that it is mutilated and destroyed to a large extent and that matter had to be worked out. Then, second-hand bagging, as the gentlemen stated a while ago, makes it still more complex. What we want to do is to get all the evidence in and cooperate with whatever is found to be the best policy for all concerned. Mr. Moore, the Commissioner of Agriculture, instructed me to say that Alabama wishes to cooperate with all constructive programs of work along this line.

MR. HOWARD: It seems to me that the principal thing before us today is the matter of tare. It is a very complicated matter, and a great many difficulties arise in attempting to change any customs and rules that have been effective all over the world for a very long period. However, it seems to me that we would make a big start and do the principal part of this work if we can get uniform tare at the gin. Bagging is usually made in 2 pounds to the yard and I would assume that the covering at the gin is 6 yards of 2 pound bagging making 12 pounds, and 6 bands, 1-1/2 pounds each, 9 pounds, making a total at the gin of 21 pounds. If it is better

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to cover the bale with somewhat heavier bagging, we might do that, but we won't argue that point. What we should have first is uniform tare at the gin from North Carolina to Texas, Arizona and California. As Mr. Brown just stated, that would take care of itself, temporarily at least. If the rules of tare for the domestic and foreign buyers remained unchanged, the shipper could adjust himself to that in his price; and as a matter of calculation, if he sells to the American mills 24 pounds tare he would put on less patches and if he sold foreign with 26-1/2 pounds tare for 500 pound bales he would put on more patches. I believe that we must put on more patching for foreign. Some Carolina mills make special rules about patches. They buy with no patching at all, figuring that the cotton is compressed at an interior point, is loaded in cars and goes through by rail to the mill, therefore, there is no necessity of patching the sample holes. I think they are right on that. On the other hand, if that cotton goes to New England, most of it goes by water. It has to go to the port and be handled, put on a ship, unloaded from the ship at Boston or somewhere, reloaded on cars, and unloaded again at the mill. It is attacked with hooks every time and needs to have those sample holes patched. When it goes foreign it has a great deal more handling than that before it gets to the interior mill, in Germany or France or Austria and it needs more covering. It may be cut at the top, at the bottom, and on both sides of the bale and would take at least a three-pound patch on each side to cover these sample holes properly, which would amount to about what the allowance for tare is now across the water. We could get along very well under the present tare rules, domestic and foreign, if we could have uniform tare at the gin. At the present time, cotton is largely held in warehouses and compresses uncompressed until it is sold and they know whether it is going domestic or foreign. Then, it is pressed and patched according to its destination. If we had uniform tare, domestic and foreign, that cotton could be pressed and piled up any time saving space and time, and it would make no difference whether it was finally sold domestic or foreign. To have uniform tare all over the world would be a great advantage, but either the foreign or domestic tare rules would have to be changed and all that would take time and trouble. We don't mind that, but we cannot do everything at once, and, so, I think that under all conditions if we can confine ourselves right now to getting uniform tare at the gins, we would take a long step forward and overcome most of our present difficulties. Just how we would get at that I am not sure. It might be difficult to have a Federal law as to the amount of tare to go on at the gin, as a number of States already have laws on that subject. It might possibly be better for the Department of Agriculture, having made this investigation, to send the results of their investigations to the various cotton States showing how they arrived at them, and suggesting that the Department favors each State passing a uniform law. Possibly the Department might submit a form of law for each State to pass which would be uniform and carry out what we are trying to get, a uniform tare at the gin.

DR. KILGORE: I want to support Mr. Howard's suggestion that an effort be made to get a uniform tare at the gin. If we had 6 yards of 2 pound bagging, that would be 12 pounds, and then 9 pounds of ties, would be 21 pounds. If that were made the standard tare of covering at the gin,

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providing that gives adequate protection, then, three pounds added to that would take care of the New England trade, as I understand Mr. Howard, and then an additional amount would take care of the foreign trade. There is a great difference as it is now, and it means corrections and changes and whenever those are made it interferes with commerce. Uniform tare, I believe, is one thing that we might possibly take steps toward bringing about.

DR. TAYLOR: Do you contemplate, Dr. Kilgore, that there would be very much difficulty involved in establishing the uniformity in bagging and ties?

DR. KILGORE: I know there is a desire among a considerable number of the States to have this uniformity.

DR. TAYLOR: Would it be true that, in case the laws required a definite weight for ties and bagging, then would the manufacturers put bagging of any other weight on the market? Or would the manufacturers of ties put any other kind of ties on the market? Would the gins have a chance to buy anything but standardized tare? Wouldn't that in itself simplify the matter? I wish to say that this result is suggested by the workings of the Standard Container Act that this bureau has enforced for many years. It is one of the things that we have had no trouble about at all. We have a continuous appropriation of \$5,000 a year for enforcing the Standard Container Act. We deal with nobody excepting the manufacturers of these standard containers and nothing is manufactured except the standard, therefore no one uses anything else. The manufacturer has fallen into line to cooperate, and instead of having an enormous number of different sizes of containers they have been reduced to very few. Thus, it seems to me it may be a very simple, a relatively simple thing to undertake.

MR. BROWN OF ALABAMA: There is only one point to make there. Your containers are never used again for fruits and vegetables, but that bagging is used three and four times. There should not be any serious objection to using it ten times if it has not deteriorated in strength. If it retains its tensile strength it can be used and will lessen the cost of new bagging. If you turn this thing loose to the new bagging interest altogether you will increase the cost of marketing cotton. That is the only point; it would increase the cost of new bagging if you prevent the use of second-hand bagging.

MR. FULMER: I would differ with Mr. Howard in his statement about this allowance to be put on at the gin for this reason, that carrying out his proposition, you would simply be carrying out the plan as used now, 22 pounds in some States, cotton exported 26 pounds or 30 pounds. Whereas, if you could work out a certain amount of tare all through the line then you could get the people to cooperate better, which is one of the difficulties on the part of the interests today. They understand that the exporters are allowed 30 pounds and can patch up to 30 pounds on all cotton exported; and they believe, and I think they have a right to believe, that the price for the actual lint is based on the total amount less the amount of tare. Therefore, they believe that the price is made with the allowance of 24, 26

or 28 pounds, and when you force them to put 21 pounds on it again and allow the other fellow to put on 24, 26 or 30 pounds, they are losing the difference in the price based on the 26 or 30 pounds at the other end of the line. I cannot see why you could not make it a uniform tare that would go all through the line. Some gentleman mentioned about the foreign countries accepting that proposition. I believe they would gladly accept that, because, as some gentleman stated the other day, they are having considerable trouble now with the cotton exported from certain States in the South. Someone mentioned my State, that the farmers down there persist in putting on 30 pounds of bagging and when the exporters ship this cotton, they have tremendous complaints come back. To create a uniform tare from the gin up would create no friction on the part of the producer and would not cause any trouble from any one else, and I think the gentleman from New Orleans who has had experience will bear me out on that statement. The same statement was made in connection with the Cotton Standards Act. One of the gentlemen on the Agricultural Committee stated, "Now, you are going to interfere with foreign markets and you will see cotton tumble." Instead of that, I think they are gradually accepting the standard and we will have a world standard in grading and we should have a uniform standard in tare.

DR. TAYLOR: There is no other standard in use in Europe at the present time.

MR. BOWEN: I would like to bear out what Mr. Fulmer has said. I think if the Department of Agriculture is going to undertake the proposition of standardizing tare, we might as well swallow the cherry at one bite; I think it will be as easy a matter to standardize tare both at the gin and for domestic or export shipping as it would be to standardize it at the gin alone. I think Mr. Fulmer is right when he states that if we attempted only to standardize tare at the gin, it would create a feeling on the part of the farmer and justly so, that he was being paid only for lint, whereas the man who bought his lint was getting 25, 30 or 35 cents a pound for some extraneous matter that was put on that lint and that cost him 4 or 5 cents a pound. That is one reason. Another reason is that if we do not standardize the patching of cotton as well as the bagging that goes on it at the gin, we will not get away from the unsightly package that reaches Europe and that has undoubtedly prejudiced the importers and the mills of Europe against American cotton. Another thing is we are certainly continuing a tremendous economic loss. When you consider the fact that a bale of cotton leaves the docks in America weighing 500 pounds and it was anywhere from 2 to 5% more wrapping on the bale than is necessary and that freight and insurance are paid on that additional wrapping, I want to say to you that the freight and insurance as well as the cost of that additional wrapping all comes out of the price paid to the original producer because the millmen on the other side are smart and they know the bales have additional wrapping and they make their price accordingly. So it all figures into the price of bale itself--it all comes back on the farmer. Now, in regard to second-hand bagging, if we discontinue using second-hand bagging that might possibly increase the cost of new bagging. It might cause the manufacturers of new bagging to feel they had a monopoly, but I do not

see why. Certainly there would not be any one single bagging manufacturer, there would still be competition among the manufacturers of new bagging and if they attempted to get together and fix the price among themselves they are getting up against a pretty serious Federal law. I do not believe it will increase the price of new bagging very much, and I do believe this that an article such as a bale of cotton, which is the most necessary commodity raised in the world today, next to wheat, and which is worth approximately \$125 to \$150 a bale is entitled to a new covering. I do not think it ought to be wrapped up in second-hand covering. I think it ought to be wrapped in a new bagging. I think it is entitled to that consideration and I think that the cost of that bagging is insignificant as compared with the value of the article. I hope when the Department of Agriculture undertakes to standardize the tare on cotton bales, that standardization will extend from the time the bale of cotton is ginned until the time the bale of cotton reaches its ultimate destination, which is the mill, whether that mill be in America or in Europe.

MR. CLAUD HUTCHESON: I buy from the cotton mills about 15 to 20% of every piece of bagging taken off the bales in the cotton growing States. Out of 10,000,000 pounds I reclaim from 15 to 20%, so it is not second and it is not third or fourth hand. On the open mesh material I save about 15 to 20%. Of the sugar-bag cloth I reclaim about 50%. Now, in our State the cotton mills do not sell. I do not suppose there are half a dozen in the entire State that sell it back to the farmer, but in the Carolinas they do it very extensively--sell it back and keep on selling. I do not sell it in the Carolinas because I cannot get the price. They can buy it from the cotton mills cheaper than they can buy it from me. I have some pictures of the bagging I manufacture and also of new bagging of the past season. I sell about 50,000 rolls, about a million and a half yards. I could sell more if I had it. The supply is limited because I cannot make it. I sell it to the ginner guaranteeing that everything is merchantable. If you find a single piece that is not, send it back. I have been in business for 20 years, have letters from some of the largest ginneries in Georgia as to the quality of the material I handle and I helped to make the law in Alabama. On 75% of the cotton of Alabama, north of Montgomery, sugar-bag cloth is used. Sugar-bag cloth weighs 1-3/4; that is, it is sold as 1-3/4, but it never did weigh it. The bagging I have made weighs 2-1/2 pounds when it is new. After it has been used, it weighs 1.60 to 1.70; 1.75 if dried in the open, but after the moisture is all out it will weigh 1.65. You cannot sell 2 pounds jute bagging in Alabama. I have some photographs.

DR. TAYLOR: I would like to ask you in what way would the standardization of weight for bagging bother you?

MR. HUTCHESON: Not at all. The whole thing is this-- it takes every yard of bagging you can get together each season to cover the crop, sugar-bag cloth and all.

DR. TAYLOR: But the reclaimed old bagging would conform to the weight?

MR. HUTCHESON: Yes sir. In other words, we only reclaim 15 to 20% and out of ten million pounds I will have seven million pounds of waste.

DR. TAYLOR: Is that torn up and put back in?

MR. HUTCHESON: Some of it is. Some of it is sold to manufacturers and some to shredders for upholstering and some to paper mills. I have never been able to sell any of the jute to paper mills because several years ago when fiber was scarce they had to find other kinds of fiber and the paper mills will not buy it. They will buy the scrap sugar-bag cloth or the open burlap because that will make good paper. There is no objection to that in our State of Alabama, I deal largely in Georgia and Alabama, and I am one of the largest handlers of rerolled bagging who sells it under guarantee that there are no holes in it. I have pictures of the new bagging as well as the old bagging.

DR. TAYLOR: We would like to see these.

MR. YOHE: I would like to ask the gentleman a question. This fabric that you rework, what about its tensile strength?

MR. HUTCHESON: It is all right.

MR. YOHE: Does it measure up the same as new?

MR. HUTCHESON: Some of it never has been cut. I would say 10% of the bagging has not a hole in it. There are between 6 and 7-1/2 million yards of rerolled bagging used. Five or six per cent of the total crop is covered by rerolled bagging. Another thing, take sugar-bagging cloth,-- bagging made out of sugar bags, of course. You say you cannot use a second-hand bag, a bag that has been used once; but it might be said that you use it for something else. For instance, sugar bags are sold for potatoes, sold for cocoanuts. We use them altogether a good many times, and yet they are sold as sugar-bag cloths....

MR. MARTIN AMOROUS: I just learned here to-day and I am sixty-six years old, that we farmers have to pay the cost of "tare". None of my friends who ever bought any cotton from me, nor did my neighbor ever tell me anything of that sort. On the contrary, since the price has been so low, below the cost of production the last few years, we thought that was the only way we were making a profit on cotton. (LAUGHTER) Of course, most of your argument has been on the charge after it leaves the farmer. It is between the merchant and mill, the "trading end" of it; but, gentlemen, the farmers have a feeling that they get paid a profit on that bagging. I sell my bale of cotton, for instance, in Marietta. It is weighed there gross and I get the market price, just as it is quoted in New York to-day, for cotton and for what it weighs gross; they don't take "tare" off of it. I don't believe you fellows in New York in trading consider "tare" in buying or selling. The bid is made and we are paid for our cotton on that basis. So, in considering "tare," the gentleman from New Orleans said that the farmer finally paid it. The dealer did have a chance when he was making

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

RECEIVED

TO THE DIRECTOR OF THE DIVISION OF THE PHYSICAL SCIENCES
FROM THE DEPARTMENT OF CHEMISTRY
SUBJECT: [Illegible]

DATE: [Illegible]

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his sale to the man in Europe or to a New England mill, to take off so much tare. Since he had already paid the farmer gross to add the tare in his price, why do we want to add the tare at the gin? I believe it will end in revolt because we know we are not getting in price as much for the cotton as we paid out to produce it, and any further tendency that the street merchant in Marietta will take off 21 or 30 pounds, I believe will end in revolt. So I wish you would consider these things. The farmer is the producer and has got to be considered in these questions.

DR. TAYLOR: Yes sir, we are very glad to hear from you, and this raises a question which I want to discuss a little, and that is the question of net weight basis of sale.

COL. JORDAN: I want to say a word. There has not been much said in this conference about the spinner's side of the proposition.

DR. TAYLOR: We would like to hear the spinner's side of it.

COL. JORDAN: Well, I am not a spinner. I have been a cotton grower all of my life, but the spinner is our customer. If it were not for the spinner there would be no necessity of planting another seed of cotton. Now, the American bale is about the only bale that goes into the market that is covered with jute bagging. Egypt and India produce about half as much cotton as we do over here and I have never seen an Egyptian or an Indian bale that had a piece of jute on it. They cover their cotton with a closely woven burlap, and the reason our spinners object to jute, any man who goes into an opening mill can very easily ascertain. When you cut loose the band and jerk off the old bagging, it brings with it a layer of cotton lint in every instance. That has to be carded off and in carding it off you take with it a lot of jute fiber. Unless that can be run through machinery and separated it has to be sold as waste and it means a very large amount of waste every year in connection with the opening up and handling of our cotton and it has to be sold very cheap, so that right at this particular time when cotton is two or three times as high as it used to be that means that that waste cotton is of little value to the spinner and he wants the burlap covering because when you take that off it comes off like the rind of a banana. It does not bring a particle of lint cotton with it and there is no loss, no waste.

DR. TAYLOR: How much more does the burlap cost?

COL. JORDAN: It does not cost any more but it is very much lighter and what I wanted to say to you in this connection was that while you are investigating this matter, also investigate the feasibility of using closely woven burlap in place of the heavy, open, loose jute bagging that we have been using for so long a time. I am satisfied that it would be very much more pleasing to spinners and that you could get your uniformity of tare very easily because burlap weighs the same all the time.

MR. HUTCHESON: Now, they are using 3 pound, 2-1/2, 2-1/4 and 2. I have a letter here from one of the largest concerns in our State, a man who

has two cotton mills and ginned 14,000 bales of cotton last year. I wrote him a letter some time ago asking if he had heard any objections from the people to whom they sold cotton and from the cotton buyers to the use of the rerolled bagging properly made, and I have a letter in reply.

MR. BEVERIDGE: The letter is as follows:

"Mr. Claude Hutcheson,
Jonesboro, Ga.
Dear Sir:

Replying to yours of the 13th, we were well pleased with the jute bagging bought from you last year and would have bought more of your rerolled jute had you been able to supply us. Our customers preferred this at the difference in price to the new 2# bagging and your rerolled bagging covers the cotton just as well as the new and gives a good appearance.

We operate cotton mills as you know and the cotton we received with rerolled bagging on it that we buy from you is just in as good condition as that which is covered with new bagging.

We have ginned and covered about 14,000 bales the past season at our nine ginneries and at practically all these points the farmers prefer your bagging to the new at the difference in price. We hope to buy a big percentage of our needs from you another season.

Yours very truly,

MANDEVILLE MILLS,
(Signed) H. O. Lovvorn,
V.P. & Mgr."

DR. TAYLOR: If there are no other bagging people here, we will hear from the spinners. Is there anybody else who wishes to speak?

MR. BOWEN: Our feeling is that in order to reach a thorough understanding between the Department and those most concerned, and in order to maintain that relation that it would probably be well to have say three committees of the trade appointed to advise from time to time and consider the questions we have considered or any researches which it may be desirable to make, and make whatever recommendations they see fit. It was suggested that we have one committee on this tare question which has taken up most of the afternoon discussion; one on cotton handling operations; and one perhaps on improvement of gin conditions. As to methods of appointing these committees, it was thought that possibly this meeting itself might take some action in that regard.

I have been thinking of you a great deal lately
and wondering how you are getting on.
I hope you are well and happy.
I have been very busy lately
but I will try to write to you more often.
I am your friend,
John Doe

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DR. TAYLOR: I wonder if those present would not like to go into a committee as a whole and work out the problem of these three committees and recommend to us our next step. We have no suggestions. We want the men on the committees that you want appointed and how would it be for the members of the Department just to leave you for an hour or half an hour to organize yourselves and work this out?

DR. KILGORE: I think we would be glad for you to appoint these committees.

DR. TAYLOR: We want them appointed by you.

DR. KILGORE: We want to work with you and we expect you to do most of the work.

DR. TAYLOR: Our interest is in knowing from your points of view who are the people who can best represent the various phases of the cotton interests in taking up this question of the gin damage. What recommendations have you with regard to the committee? An advisory committee which would represent the various phases of the cotton industry would be helpful to us in this matter.

MR. DICKERSON: Was it your idea for these committees to decide on some recommendations to be brought back to this meeting?

DR. TAYLOR: No, the idea is this, we would like to have advisory committees to work with us in deciding what important lines of research work should be followed and methods of carrying it out. Part of this is going to be research and education. The extension forces will be working on the results, the trade will be working on it and the various forces will be working on it. There may be some phases of the work on which there may be suggested legislation. Now, if that is true, then we would like to have a committee that would represent you people, the cotton people on these questions.

MR. DICKERSON: Well, your idea would be that it would be operating for some time to come?

DR. TAYLOR: Yes, these committees would be standing committees. For instance, we have a man working on the gin problem. We could hire a man and put him on that problem and say: "Get us all the information you can on that." If there is a committee representing the trade, production and handling, that he could advise with, we feel that it would be useful. We shall be in touch with everybody in the trade as much as he can anyway. We are not insisting upon this point but it just occurred to us that it would be helpful.

MR. DICKERSON: If we have some definite questions before us to decide upon it seems to me the thing to do would be to ask the various interests here to make suggestions to you as to the membership of these committees in their particular line of the trade.

DR. TAYLOR: You mean to handle this by correspondence?

MR. DICKERSON: Yes, or at future meetings in other words, to co-operate with the Department in studying these various questions. If we had something definite before us for instance, the question of tare, and the question of gin damage, and so forth - if we had these things well defined then it seems to me that the best plan would be to advise with the various interests here as to what men in their particular line of work should be appointed on these committees.

DR. TAYLOR: That is just what we want now. On this question of gin cutting, we would like to have the advice of the men who can be most helpful. We are going to study this gin cutting problem and we would like to have an advisory committee that would be helpful to us in that connection.

MR. DICKERSON: We have no gimmers here.

MR. JENKINS, Norfolk, Va.: I represent the Norfolk and Portsmouth Cotton Exchange and want to thank you very much for the privilege of coming here and listening to this very instructive discussion. As far as the question of tare is concerned, it seems to be almost unanimous here that we are willing to adopt a standard weight of bagging for covering cotton. I don't think it is a question of committees at all. I think if you put it to a vote in your conference here you will find it is almost unanimously in favor of a covering that will deal fairly with the producer as well as the spinner. I think we have arrived at the point where we are all willing to accept that. I do not think it is a very difficult question because you have here today representatives from all the manufacturers of bagging in this country and I believe they could very soon get on a basis that will give entire satisfaction to everybody concerned. When it comes to export cotton and the condition of the cotton as it arrives on the other side in the last few years we have introduced in this country high density compression. We have found in our experience in Norfolk that a great deal of the covering that was used on standard density cotton would not stand high density and we had to use, in some cases, a heavier bagging. In any event, you can get that bale to the other side in the condition it leaves this country by increasing the bands on the cotton. I had occasion some time ago to examine a lot of bales of bagging from India compressed to high density with ten bands on each bale. It was not torn in any respect. If our cotton is covered in that way it will be delivered on the other side in good condition. Those of us who are familiar with the question know that a longshoreman taking hold of a bale of cotton with a hook will tear the bag and every time it is handled it is torn. It is not so much the fault of the covering of that cotton as it is the method of handling. The more you handle the cotton the worse it comes out on the other side. I want to say that the Norfolk and Portsmouth Cotton Exchange will cooperate with you in every way possible. We offer you our services. We are close to Washington and if we can serve you in any particular we hope you will call on us.

THE UNITED STATES OF AMERICA

TO THE HONORABLE SENATE OF THE UNITED STATES
IN SENATE, January 1, 1914.
REPORT
OF THE
COMMISSIONER OF THE GENERAL LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
JUNE 1, 1913.

ALBANY, N. Y.:
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DR. TAYLOR: Thank you.

MR. JENKINS: As far as the gin-cut cotton is concerned, the State inspector is not going to reach the trouble. We are tired of inspectors. We have inspectors for everything. We were receiving gin cut cotton from a certain gin. I notified the owner that the gin was not producing what it should and the man to correct that matter is the man that made the gin, the manufacturer. Generally it is a very slight matter if you can get an experienced man. What is needed is not somebody to tell you that it is gin-cut, we all know that, but a man that can go to the gin and correct the trouble. The man that made the gin can do this. That is not only true of this particular gin but it is true of all other gins unless the gin cut is due to wet cotton. Virginia is in the northern part of the belt, and we hope to be numbered with the cotton States. We are trying to increase our acreage of cotton. Norfolk, as you know, draws its cotton principally from the Carolinas. Year before last we had raised 50,000 bales and we planted for a crop of 100,000 bales this year, but the conditions were against it. We only raised 35,000, but we want to make Virginia a cotton State. Now, the seasons are short and the moisture in the cotton is greater than that in the cotton producing States further south. We don't have the seasons to mature and dry the cotton and for that reason we have to be particularly careful on handling it. But it can be corrected and I find that the manufacturers of gins will respond very quickly. If we will get in touch with the ginners they will very quickly tell us how, in a large measure, to correct the gin-cut situation. Thank you very much.

DR. TAYLOR: Thank you.

MR. HOWARD: I wish to say one word further on tare. You spoke of standardizing the manufacture of the bagging. That would be all right as far as it goes, but we will have to have laws in the various States standardizing the amount that they can put on the bale or they won't get anywhere because at the gin they could put on side strips of another kind of bag and put on any weight they wish. They would not necessarily use the standardized manufactured bagging.

DR. TAYLOR: Suppose there were a federal law for bagging of cotton passing in interstate commerce, just the kind of a law that Mr. Fulmer would know how to draw up.

MR. HOWARD: And not allow them to put on anything else?

DR. TAYLOR: You would have the bagging what would be allowed for use at the gin. The high density compress bales might be different for the patches and the ties but you could standardize all of them.

MR. HOWARD: That is all right.

DR. TAYLOR: Then, coming to the point, our trading would naturally then be on the basis of net weight, wouldn't it?

MR. HOWARD: Yes.

DR. TAYLOR: And that is what we want to get to. If we do, we shall get clear by the problem. So long as we are thinking of selling in terms of gross weight, regardless of the weight of the bagging, even though the proposition is taken care of in the trade one way or another, it is difficult. But if our trading is on net weight basis and our tare is standardized the whole thing will clarify, will it not?

MR. HOWARD: We are practically selling on the net weight basis now, because every mill when it buys cotton knows exactly what percentage of tare it is paying for, but we would have to have it so arranged that there can only be certain amount put on at the gin. There is one other misapprehension I wish to clear up and that is about the amount that is added. Tare will necessarily be added to the bale after it leaves the gin because those sample holes must be covered. Even such men as Mr. Fulmer and Mr. Jordan, as long as they have studied cotton, are under that misapprehension when they say they and the farmers think we are allowed 30 pounds across the water.

MR. FULMER: I believe the Department of Agriculture is in the same fix.

MR. HOWARD: Then they are mistaken also because any exporter here will bear me out that the actual amount, to a fraction, of bagging allowed on a bale across the water, a 500 pound bale, is 17.49 pounds.

DR. TAYLOR: Is the quotation on the basis of gross or net weight?

MR. HOWARD: It is on the basis of landing weight which is gross. I mean tare allowed is on the basis of gross weight.

DR. TAYLOR: Yes.

MR. HOWARD: This 6% is simply an old method of calculation that now has nothing to do with tare.

DR. TAYLOR: Are the quotations on the basis of net weight cotton or gross weight bales?

MR. HOWARD: The price is based on actual weight of the cotton less 6%, but that is simply a matter of calculation. That is all figured out in the price. You get a higher price. Here is cotton which weighs 50,000 pounds, you deduct 6% and invoice it at 47,000 pounds.

DR. TAYLOR: Which purports to be net weight cotton?

MR. HOWARD: Yes, though it is not. That is simply a matter of calculation, but you get a high enough price the same as if you were paid for 50,000 pounds. It is simply a matter of calculation. It is unnecessary and it ought to be abolished, but they have been buying that way for 75 years and continue to do it. Any exporter figures his calculations accordingly and gets his price.

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MR. FULMER: I think that proves the point I stated a few minutes ago that they make the price on the net weight of cotton allowing for the tare.

MR. HOWARD: Well, the tare is different from that 47,000 pounds.

MR. FULMER: I am not talking about that; but they make the price on the net weight of the cotton with the allowance, whatever it is.

MR. HOWARD: Certainly, the spinner buys net weight.

MR. FULMER: That is the contention of the producer, that that price is based on the net allowance.

MR. HOWARD: Here is cotton coming in from the gin with 21 pounds tare. Now, when he sells that to Carolina or New England mill he knows that he can put on three pounds of patches, but he figures that in the profit he expects to get.

MR. FULMER: I never had one copper added to the price to make up for the allowance between the producer and myself, as a cotton buyer from the producer, but the fellow that is selling direct to the mill or the real exporter, gets this difference between the producer and the man at the other end, and in the meantime the price at the other end is based on this net cotton with its allowance for the tare, and the price is passed down to the producer along that same line. Therefore he is robbed of the difference.

MR. HOWARD: You misunderstand. There is a great deal of competition in buying cotton. If cotton is 21 pound tare and the merchant buys it, he is buying in competition with other merchants and paying all he can. Now, he is selling that cotton to Mr. Buckner of the York Manufacturing Company of Saco, Maine, and he figures the price, with his freight and insurance, and knows that he can put three pounds of patching on that bale, which will cost him 4 or 5 cents a pound, but he will get 25 cents a pound for it and he figures that into his profit just as he figures any other part of his profit.

MR. FULMER: Did you ever hear of a local buyer patching?

MR. HOWARD: Not if he sells locally. I am talking about the shipper. The local buyer sells it as it is. If he sells for export where he can put on 5-1/2 or 6 pounds he figures that the same way - that he is making a profit of 20 cents a pound on that 5 or 6 pounds, and as our New Orleans friend here stated, lots of them figure that that is the profit they are making. They are selling at the same price they give for it and their profit is the patching that is on it.

MR. FULMER: The local buyer never sells to the mills and the exporter.

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1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

MR. HOWARD: Maybe not. It is the shipper who does the patching. He figures the profit he gets on that patching into the price that he pays for the cotton and he sells the cotton. It is simply a matter of calculation. The farmer gets as much for his cotton as if he had the 26 pounds net.

DR. TAYLOR: The conference up to this point, today, has been exceedingly valuable to us in giving us the point of view of the farmers, the trade and bagging people and we have heard at least from one manufacturer and we are very thankful indeed for the contributions you have made. A note came to my desk suggesting that the press would be pleased to have this conference continue tomorrow. Now, I look upon it as a compliment to you gentlemen that you have interested the press, and that they have thought this is interesting and worth while work. I am wondering whether the story that my old dean at the Wisconsin Agricultural College does not fit at this time. The first time I gave a course in agricultural economics, away back in the winter of 1902, I had put my very best into it and at the end of the first course the students crowded around and said: "We want you to start right in and give us this much more." Now, I had given them all I had, I will tell you frankly, but I thought that was a compliment anyway, and I went up to the dean and told him, but he said: "This is an awful good time to quit." At our extension meetings when the audience is in that state of mind we think it is an awful good time to quit because we have succeeded, but if we go on any longer we may run out. Since you people are doing the talking and we are doing the listening we want to run this conference as long as there is something more that we can get from you, but on the other hand we don't want to prolong the conference beyond the point of getting the contributions that you have to make on your subject. Is there any reaction on this suggestion, which is certainly a compliment, that comes from the press?

DR. KILGORE: I came prepared to stay today only.

MR. DICKERSON: It seems to me that this meeting was for one purpose, and I can see no need of further prolonging the issue.

DR. TAYLOR: I see Mr. Cobb in the room. Will you let us hear from you?

MR. C. A. COBB: I really came, Dr. Taylor, to get the reaction of these various groups, on this very important question, - the elimination of waste in marketing the South's greatest crop and from that point of view the discussions have been very illuminating and they convince me that some things we need very much to be done can be done without doing violence to any particular individual or any particular group of individuals. I have opportunity occasionally to sit in on a mixed audience like this representing varying groups with various points of view and I do not think it has been my pleasure to have been present with a group where there was more unanimity of opinion than there is here today which I think foreshadows some extraordinary development in the near future in eliminating waste in marketing cotton, I am gratified that we have made this progress. Frankly,

I had not expected such unanimity as we have had here today. Doubtless the farmers have been under a misapprehension as to the question of tare. I know we didn't hear much about it up until about two or three years ago. I think the cooperatives were the first "to run it out in the clear where they could get a shot at it" and that was the first time I really realized that such a thing did exist as a trade practice. It seems to me that if we can work the thing out on a basis where cotton can be sold on a net weight basis we will really be getting somewhere. Now, I was particularly interested in hearing Oscar Bledscoe of the Long Staple Cotton Association in Mississippi talk about this same thing a couple of years ago. I remember in discussing a gain in weight he said the cooperatives had been able to show an actual profit in gain in weight which gain in weight was, in a large way, made up for through the addition of the patches they put on. Some of them simply put it under the bagging to make up their weight and he said, if my memory serves me right, - that they actually were able in that way to show the grower of cotton a profit beyond what the grower ever got before in his life or could get. Mr. Howard may be absolutely right, I don't know about that, but I am giving you this reaction from this man who has shipped abroad countless thousands of bales of cotton for several years. I think they sell 60 or 70% of their cotton direct but I do not know what per cent of export they sell direct. He said that the cooperatives were the first people in the history of the sales of cotton from the Mississippi Delta that were able to get back to the farmer a price on this thing that he had been losing before and that was one of the sources of their profit. I do not know how that works, but he is many times a millionaire and a mighty good business man and I felt he was about right about that.

MR. HOWARD: Has he ever handled cotton?

MR. COBB: No sir, I think that is fortunate probably, that he has not. He is a cotton grower.

MR. HOWARD: Well, he is laboring under some misapprehension.

MR. COBB: They get the money, though, you know. I am not under a misapprehension when I have got a five dollar bill in my pocket and I can look at it. They thought that way at one time and you may be right, but the thing is that we are laboring under a misapprehension. There is some way to clear it up. I think this gentleman from Norfolk was right when he said that this body was unanimously endorsing the proposition of turning the thing now over to the Department and memorializing the Department by a vote, if necessary, to go ahead with the work and arrive at such rules and regulations as may be necessary to carry out the thought that has been presented here today.

DR. TAYLOR: Is it the sense of the meeting, then, that the Department of Agriculture should proceed to draw up, in the course of a few months of additional study, plans looking toward the standardization of tare and the possibility of the sale of cotton on net weights? Looking toward that, I say, for of course there are many people we want to consult in this study.

The findings will then be submitted before a representative group at a later date.

MR. COBB: In order to get that vote, I am going to move that a resolution to that effect be presented. I move that a resolution worded just about as you stated the thing be passed here today. I make that motion.

MR. MARTIN AMORIS: (Farmer) I second that and I would like to have you look into this in connection with it. Nearly all other lines of manufacture put out in containers are sold with the prices of the container attached. That is part of the profit that goes to the seller or manufacturer or producer. You know all that. A large retail grocery merchant told me he cleared over a thousand dollars profit on paper by weighing everything on the paper bag. He sold his container at a profit. It is the fault of the trade, this great evil; they are overlooking something that they might correct by not considering that feature. It is a matter of bringing the trade to it. The seller is the man who ought to name the price including his container. It is done in all other lines of business and why not consider it from that standpoint?

DR. TAYLOR: Thank you very much. It has been moved and seconded that a resolution be passed to the effect that the Department of Agriculture be memorialized to prosecute its studies further on the question of tare and methods of bringing to pass the sale of cotton on a net weight basis; that after they have further studied the matter they draw up a plan for bringing that to pass, and then call a meeting of the various interests of the industry to consider the plan that they have drawn up. I see Mr. Fulmer sitting there. Mr. Fulmer will take it and make a law, I suppose, but we will leave that to him.

MR. L. F. BRUCE: (Norfolk) Before you put that to vote we just want to say if you want to conduct any experiment as to the effect of high density compression on different kinds of bagging, we would be very glad to have you use our press at Norfolk. It is just a nice run from here and you can have all these facilities any time you want them.

DR. TAYLOR: Thank you very much, that will be a big help to us.

(The motion was carried unanimously.)

MR. D. W. WATKINS, South Carolina: I hesitate to rise because these questions that have come up have been so very technical.

DR. TAYLOR: We are glad to get the extension man's point of view.

MR. WATKINS: I cannot discuss tare because it is a technical subject to me as it is to most cotton growers. I suppose if you were to discuss production problems here that would be technical to a great many of you. Senator Heflin made a remark to the effect that he had, as a boy, chopped cotton and that was a technical expression to the newspaper men because it came out in the paper that Senator Heflin had grown up cutting cotton. I

suppose what is technical to one is plain English to another. Now, it seems to me the outcome of all this effort here, Doctor, will be to keep America in the lead as a cotton-producing country and that is going to work to the benefit of everybody. America wants to stay in the lead as a cotton-producing country and let me say if America is not to stay in the lead, it will not be the fault of the growers of cotton in South Carolina. Seventy-five per cent of the cotton produced is of one variety and the reason is because the farmers have been led to believe that this is the variety they can grow best under boll weevil conditions, not because the variety is more in demand on the part of the mills. They have not gone into it from that standpoint. They do not know what the mills demand, and as a proof I will tell you that a considerable part of our 1922 long staple crop is not yet sold. It has been carried at the expense of the growers and the expense has been from \$25 to \$35 a bale carrying charges to the growers, not counting the interest on the capital invested. They produced too much long staple that year and who knows but that they have produced too much of a great many other different varieties and types of cotton? If they knew what the demand is likely to be for the different types of cotton they could easily be persuaded to produce those types. You may think that a farmer is a hard man to influence and to change, but I have been led to believe here today that the cotton trade is pretty hard to change once it gets set in a line of procedure as on this matter of tare. I do believe that the farmer can be changed in his methods of producing, providing he has the facts, as easily as any member of the trade can. I think one fine line of procedure, Doctor, would be for your crop reporting service and this department to prepare information similar to your pig reporting service showing the probable demand for different kinds of cotton. You have a list of the cotton mills of the country and every cotton mill knows exactly what it wants in the way of staple and grade, and that sort of thing. If that information could be compiled and made available to the growers, I believe they will produce what is demanded.

DR. TAYLOR: But in order to do that we would have to have an extension survey of the amount of cotton the farmers are figuring on planting and we are excluded by law from doing that.

MR. CORB: There is just one other matter that comes to my mind at this time. I take it we are just about to finish with the primary discussion here today. The thought that comes to my mind is the development of your foreign agricultural service. The time is undoubtedly here when we must not only have very accurate, very reliable statistics with reference to domestic production, but we must have reliable statistics as to foreign production. I am wondering what progress has been made on the bill that has been before Congress that would permit the Department of Agriculture to go ahead with that development of the foreign agricultural service to the point where we will have available the actual facts from an agricultural point of view with reference to foreign production. The man from the wheat belt wants to know about wheat and the people from the dairying belts want to know about their product. Cotton is one of the great world crops and I feel that we don't have reliable statistics both with reference to production and consumption; that we are laboring certainly to a degree in the

dark, and agriculture is gamble enough anyway. I would like to know what progress has been made so we may know what we ought to do to speed things up.

DR. TAYLOR: You refer to the Ketcham Bill. Perhaps Mr. Fulmer could answer that question.

MR. FULMER: We had that bill up before the committee but I don't remember whether it passed the House or not.

DR. TAYLOR: It passed the House about a year ago and it went to the Senate and I think it is there yet.

MR. FULMER: The agricultural committee held a hearing on it and decided on the whole it was a good proposition and as I remember they made a favorable report.

DR. TAYLOR: I think the answer is that it passed the House, was in the Senate, and there were only a few more days in this Congress. I wish to say, however, Mr. Cobb, that the appropriation committee did not forget us, that we have an appropriation for carrying forward the foreign work. This was simply an enabling act and it is believed that the Department has adequate authority to proceed with this foreign work under the general law establishing the Department of Agriculture and under the appropriation act. The major difference, I think I can say, is, that the agricultural commissioners abroad do not have diplomatic status whereas the representatives of other lines do. The Department, of course, is not taking any active part in the matter. It is a question for Congress and the public.

MR. COBB: It seems to me, Dr. Taylor, that they ought to have this diplomatic status. I ran into some of that abroad last summer. Foreign countries appreciate a man's diplomatic position and the more certificates he has and the higher up he is in diplomatic service the more recognition he gets. I found some of these people, to my way of thinking, laboring under a very severe handicap. For that reason they were denied entrée and the advantage of the privileges they ought to have. I do not believe they can ever have it until you have a law on the statute books placing them in the position they ought to occupy. You are not doing any more than this Government has done for some of its other representatives. I think agriculture is entitled to that, and that is one of the reasons I was anxious to see this bill go through and give them legal status. I hoped this Congress would put through this enabling act.

MR. PALMER: I would like to make this statement. I think we are all perhaps a little overwhelmed, not being prepared for this resolution that the conference has passed here this afternoon. Mr. Beveridge prepared a preliminary report of his investigation on tare. It is our purpose to circulate this report and we had expected that if these committees had been appointed we would ask that the committees gather the reactions of everybody who was interested.

DR. TAYLOR: You have copies that could be distributed? We understand that we have a committee on the whole for all these matters. We appreciate very much the work that the committee has done for us today. We have your names and we have a record of what you have said here today. We are going to correspond with you from time to time on these matters. Our special agents in the field are going to call on you and talk to you, so we accept you as a committee of the whole.

MR. PALMER: This is a statement of the situation without particular recommendations except as to possible lines of approach and we would like to have the reaction of everybody.

DR. TAYLOR: I wish not only to express the keen sense of appreciation of the Bureau but also of the Department for the interest you have taken in coming to this meeting and giving expression of your views, of which we have a complete record. It is our intention to make a complete record of this conference and I suppose we shall also make a summary statement of the main points for more general distribution, but the associations and groups can have a full stenographic statement of the conference if it is desired. It is expensive but we will not let expense stand in the way of providing you with the material. We feel that this is most valuable to us as a basis of our further research and looking toward conclusions in this matter.

DR. KILGORE: I hope you are not going to limit yourself to the matter of tare.

DR. TAYLOR: No.

DR. KILGORE: That is the one thing that is in our minds that can be accomplished - uniformity in the covering of our cotton. I hope we can bring that about and I hope you are not going to forget some of these other things.

DR. TAYLOR: Would you like to amend the resolution?

DR. KILGORE: No, I think if we can accomplish the matter of uniformity in tare, we have done something that has been worked at for a long time. Possibly if we put that matter in good shape and make it a reality and then come back, perhaps then you can give us some of the results of your investigations of some of these other things in connection with gin handling of cotton and the handling of cotton otherwise. I should like to see attention given especially to the matter of the difference in grade between two sides of the bale. Perhaps you have data on that, from your work at the exchanges, by which we could see what percentage of the bales differ in grade, one side of the bale from the other, and what the farmer loses from this. That would help us to get at the matter of handling our cotton at the gin.

DR. TAYLOR: I think possibly some kind of a conference is needed with the ginner and gentlemen like yourself and Mr. Jordan and others can

1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is a summary of the work done and the results obtained. It is a general statement of the work done and the results obtained.

2. The second part of the report deals with the details of the work done. It is a detailed statement of the work done and the results obtained. It is a detailed statement of the work done and the results obtained.

3. The third part of the report deals with the conclusions drawn from the work done. It is a statement of the conclusions drawn from the work done and the results obtained.

4. The fourth part of the report deals with the recommendations made. It is a statement of the recommendations made from the work done and the results obtained.

5. The fifth part of the report deals with the summary of the work done. It is a summary of the work done and the results obtained. It is a summary of the work done and the results obtained.

6. The sixth part of the report deals with the conclusions drawn from the work done. It is a statement of the conclusions drawn from the work done and the results obtained.

be very helpful to us in starting with the ginner's and getting the information needed there.

DR. KILGORE: I think that would be very helpful. They are the people who would give us the information. Perhaps there are some people that are not represented here that you might also confer with.

DR. TAYLOR: I thank you very much. We will now draw to a close what to us has been an exceedingly interesting and successful conference.

(The conference adjourned.)

The first of these is the fact that the British Empire is a vast and diverse collection of territories and peoples, each with its own history, culture, and political system. It is not a monolithic entity, but a complex and multifaceted one.

Secondly, the British Empire has been a source of immense wealth and power for the United Kingdom, and for the world. It has provided the British with access to vast markets, resources, and labor, which has enabled them to maintain their position as a global superpower.

Finally, the British Empire has been a source of inspiration and pride for the British people. It has been a symbol of their greatness, their strength, and their influence. It has been a source of national identity and a source of national pride.

A List of Those Attending the Conference.

Martin Amoris, Cobb County, Ga.

Marc Anthony, Dallas, Texas. Dallas Cotton Exchange.

J. M. Bowen, New Orleans, La. New Orleans Cotton Exchange.

Stanton Brown, Waco, Texas. Exporters and Traders Compress Co.

N. H. Brown, Montgomery, Alabama. Markets Division, State
Department of Agriculture.

L. F. Bruce, Norfolk, Virginia. N. & P. Cotton Exchange.

L. R. Buckner, 120 Franklin Street, Boston, Mass. Arkwright Club.

Howard L. Clark, Baltimore, Md. Manufacturers Record.

C. A. Cobb, Atlanta, Ga. Editor Southern Ruralist.

W. H. Dean, U. S. Chamber of Commerce, Washington, D. C.

R. C. Dickerson, Memphis, Tenn. American Cotton Shippers' Assn.

N. A. Floyd, Greenville, S. C. American Cotton Manufacturers Assn.

I. D. Foos, New York City. Textile World.

Hon. H. P. Fulmer (M. C.) Orangeburg, S. C.

W. P. Gohlson, Henderson, N. C. Carolina Bagging Co.

Anderson Gratz, 64 West Street, Brooklyn, N. Y. American Manufacturing
Co. (Bagging manufacturers).

H. V. Greenough, Boston, Mass. Ludlow Manufacturing Associates
(Bagging manufacturers)

Charles Hauser, Havre, France. Cotton Merchant.

C. B. Howard, Memphis, Tenn. American Cotton Growers Exchange.

Claud H. Hutcheson, Jonesboro, Ga. Bagging and Ties Manufacturer.

John S. Jenkins, Norfolk, Va. N. & P. Cotton Exchange

Wm. M. Jones, Norfolk, Va. N. & P. Cotton Exchange

Harvie Jordan, St. Matthews, S. C. Secretary, American Cotton Assn.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. It begins with the first people who lived on this land, and continues through the years of exploration, settlement, and the struggle for independence. The story is one of a people who have built a great nation, and who are still building it today.

The first people who lived on this land were the Indians. They were here long before the Europeans came. They lived in small groups, and they were very skilled at hunting and farming. They were the first to teach the Europeans how to live in this land.

The Europeans came to this land in the 15th century. They were looking for new places to settle, and they found this land. They were very interested in the land, and they began to settle here. They brought with them many new things, and they taught the Indians how to live in a different way.

The Indians and the Europeans lived together for many years. They learned from each other, and they grew to love each other. But in the 17th century, the Europeans began to fight with the Indians. They wanted more land, and they wanted to control the land. The Indians fought back, and there was a long and hard war.

The war ended in 1763. The Europeans won, and they took all the land. The Indians were forced to move to a small area of land. They were very sad, and they were angry. They wanted their land back, and they wanted to live in their own way.

The Europeans were not happy either. They wanted to live in their own way, and they wanted to be free. They fought a war with the British, and they won. They became a new nation, and they called it the United States.

The United States has been a great nation ever since. It has grown and changed, but it has always been a nation of freedom and justice. It has been a nation that has helped other people, and it has been a nation that has been helped by other people.

The history of the United States is a story of a people who have built a great nation. It is a story of growth and change, and it is a story of a people who are still building it today.

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